

# Index

## A

### ABANDONMENT OF ASSETS

- Real property
  - generally, **17:19 to 17:23**
  - for detailed treatment, see index heading **REAL PROPERTY**
- Taxation of individual and partnership bankruptcy estates, **14:52**

### ABATEMENT OF PENALTIES AND INTEREST

- Generally, **5:78 to 5:103**
- Appeals, **5:95, 5:96**
- Application, **5:93**
- Burden of proof, **5:92**
- Contesting penalties, **5:81**
- Failure to deposit penalty, **5:94**
- Forgetfulness, **5:89**
- Ignorance of law, **5:87**
- Interest, generally, **5:97 to 5:101, 13:20, App. 13C**
- Internal Revenue Manual (IRM), **18:51**
- Judicial review, **5:102**
- List of penalties, **5:80**
- Ministerial act defined, **5:103**
- Mistake, **5:88**
- Ongoing business, bankruptcy for
  - generally, **11:28 to 11:37**
  - for detailed treatment, see index heading **ONGOING BUSINESS, BANKRUPTCY FOR**
- Penalties generally, **5:79 to 5:96**
- Procedure, **5:83**
- Questions asked to determine reasonable cause, **5:86**
- Reasonable cause, **5:82, 5:84 to 5:86**
- Request for abatement (Form 843), **App. 13C**
- Standard for care, **5:91**
- Statutory mitigation of failure to pay penalty, **5:79**
- Unreasonable errors and delays by IRS, **5:101**

### ABSTENTION

- Jurisdiction, **7:18**

### ACCOUNT-CLIENT PRIVILEGE

- Power of attorney, **1:123**

### ACCOUNTS RECEIVABLE

- Levy and seizure, **4:90**

### ACCRUAL BASIS TAXPAYERS

- Cancellation of indebtedness and bad debts, **15:90**

### ACQUIESCENCE AND NONACQUIESCENCE

- Generally, **1:76 to 1:79**
- For detailed treatment, see index heading **ACTIONS ON DECISION (AOD), ACQUIESCENCE AND NONACQUIESCENCE**

### ACTIONS ON DECISION (AOD), ACQUIESCENCE AND NONACQUIESCENCE

- Generally, **1:76 to 1:79**
- Acquiescence, **1:77**
- Actions on decision (AOD), **1:79**
- Announcements, **1:76**
- Nonacquiescence, **1:78**
- Statements of IRS position, **1:75**

### ADMINISTRATIVE EXPENSES

- Internal Revenue Manual (IRM), **18:36**
- Partnerships, taxation of bankrupt, **14:45**

### ADMINISTRATIVE REVIEW

- Installment agreements rejected, **5:30**
- Offers in compromise, **6:120, 6:154**
- Penalty offers in compromise, **6:154**

### ADMINISTRATIVE TAX CLAIMS

- Discharge of, **10:7**

### AIRPLANES

- Offers in compromise, **6:57**

### ALTER EGOS

- Offers in compromise, **6:65**

### ALTERNATIVE DISPUTE RESOLUTION

- Department of Justice use, **7:73 to 7:75**

### ALTERNATIVES TO BANKRUPTCY

- Generally, **5:1 to 5:113**
- Annual notice of delinquent tax, **5:76**
- Asset protection trusts, **5:113**
- Audit reconsideration
  - generally, **5:104 to 5:107**
  - for detailed treatment see index heading **AUDIT RECONSIDERATION**
- Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), **5:2**
- Collection appeals program
  - generally, **5:53 to 5:57**

## ALTERNATIVES TO BANKRUPTCY—Cont'd

Collection appeals program—Cont'd  
for detailed treatment see index heading COL-  
LECTION APPEALS PROGRAM

Collection information statements  
generally, **5:32 to 5:52**  
for detailed treatment see index heading COL-  
LECTION INFORMATION STATEMENTS

Family limited partnership, **5:110**

Foreign trusts and bank accounts, **5:112**

Installment agreements  
generally, **5:5 to 5:14**  
for detailed treatment see index heading  
INSTALLMENT AGREEMENTS

Irrevocable trusts, **5:111**

IRS Restructuring & Reform Act of 1998, **5:1**

Lien filing, **5:75**

Negotiated installment agreements. Installment  
agreements, above

Overview, **5:3, 5:4**

Reducing possibility of collection, **5:108**

Release of levy, **5:77**

Spousal transfers, **5:109**

Strategies, **5:4**

Suspension of collection, **5:69**

Taxpayer rights  
generally, **5:58 to 5:68**  
for detailed treatment see index heading  
TAXPAYER RIGHTS

Transfers of assets  
generally, **5:108 to 5:113**  
asset protection trusts, **5:113**  
family limited partnership, **5:110**  
foreign trusts and bank accounts, **5:112**  
irrevocable trusts, **5:111**  
reducing possibility of collection, **5:108**  
spousal transfers, **5:109**

Uncollectible accounts  
generally, **5:69 to 5:77**  
annual notice of delinquent tax, **5:76**  
bankruptcy, **5:74**  
hardship, **5:70, 5:71**  
lien filing, **5:75**  
release of levy, **5:77**  
suspension of collection, **5:69**  
undue hardship, **5:70**  
unfiled tax returns, **5:73**  
verification, **5:72**

Undue hardship, **5:70**

Unfiled tax returns, **5:73**

## AMENDED CLAIMS

Generally, **12:14, 12:15**

Internal Revenue Manual (IRM), **18:34**

## ANNUITY PAYMENTS

Levy and seizure, **4:95**

## ANTISTUFFING RULE

Net operating losses (NOLS) and credit car-  
ryforwards, **16:41**

## APPEALS

Abatement of penalties and interest, **5:95, 5:96, 5:102**

Bankruptcy appellate panel (BAP), **7:30**

Bankruptcy court appeals  
generally, **7:28 to 7:37**  
bankruptcy appellate panel (BAP), **7:30**  
briefs, **7:35**

district court, appeal to, **7:61**

district court decision, appeal of, **7:37**

extension for filing, **7:31**

factors considered, **7:63**

final order, **7:28**

interlocutory order, **7:29**

petitions for certiorari, **7:62, 7:64**

procedures for filing, **7:34**

service of notice, **7:32**

standard of review, **7:36**

stay of proceedings, **7:33**

Bankruptcy tax litigation  
bankruptcy court appeals. Bankruptcy court  
appeals, above  
certiorari compared with appeal, **7:62**  
district court decision, appeal of, **7:37**

Briefs, **7:35**

Certiorari petitions, **7:62, 7:64**

Collection appeals program  
generally, **5:53 to 5:57**  
for detailed treatment, see index heading COL-  
LECTION APPEALS PROGRAM

Department of Justice's role, **1:54**

District court, appeal to, **7:61**

District court decision, appeal of, **7:37**

Equivalent hearing, **3:77**

Extension for filing, **7:31**

Final order, **7:28**

Freedom of Information and Privacy Acts, **2:47**

Installment agreements, **5:11, 5:14**

Interlocutory order, **7:29**

Internal Revenue Service organization. See index  
heading INTERNAL REVENUE SERVICE ORGANIZA-  
TION

Levy and seizure, **4:21, 4:22 to 4:27**

Liens, **4:7, 4:21**

Liens, IRS Independent Office of Appeals, **4:9**

Notice 393, **App. 2J**

Offers in compromise. See index heading OFFERS  
IN COMPROMISE

Procedures for filing, **7:34**

**APPEALS—Cont’d**

- Service of notice, **7:32**
- Standard of review, **7:36**
- Stay of proceedings, **7:33**

**ASSESSMENT OF TAXES**

- Generally, **3:7**
- Application of stay to “statute of limitations on collection and assessment,” **8:13 to 8:18**
- Automatic stay violation, **8:7**
- Before collection, **3:2**
- Certificate of assessments, **App. 3E**
- Deficiencies, **10:38, App. 10G, App. 10J**
- Interest, **13:25**
- Statute of limitations, **12:31**
- Types of, **3:8**

**ASSET PROTECTION TRUSTS**

- Alternatives to bankruptcy, **5:113**

**ASSISTANT ATTORNEY GENERAL**

- Settlement authority, **7:71**

**ASSOCIATE AREA COUNSEL**

- Internal Revenue Manual (IRM), **18:6**

**ASSOCIATE ATTORNEY GENERAL**

- Settlement authority, **7:72**

**ATTORNEYS**

- Circular 230, **1:111 to 1:113**
- Disbarment or suspension, **1:113**
- Fees. See index heading **ATTORNEYS’ FEES**
- Interdisciplinary practice, **1:1**
- Power of attorney
  - generally, **1:114 to 1:124**
  - for detailed treatment see index heading **POWER OF ATTORNEY**
- Preferences to, **9:50**
- Qualifications to practice, **1:106 to 1:110**
- Representation of taxpayers, **1:106**
- Rules of practice, **1:111**

**ATTORNEYS’ FEES**

- Discharge litigation involving nontax debts, **9:64**
- Net operating losses (NOLS) and credit carryforwards, **16:104**
- Prebankruptcy planning, **9:6**

**AUDIT RECONSIDERATION**

- Generally, **5:104 to 5:107**
- Address, wrong last known, **5:106**
- Failure to appear at audit, **5:105**
- Tax as result of deficiency, **5:107**

**AUDITORS**

- Tax auditors, IRS organization, **1:58**

**AUTOMATED COLLECTION SYSTEM (ACS)**

- Generally, **3:28 to 3:43**

**AUTOMATED COLLECTION SYSTEM (ACS)**

**—Cont’d**

- Call sites, **3:28**
- Collection appeals program, **5:56**
- Computer calls, **3:32**
- Dealing with, **3:42**
- Guaranteed installment agreements, **3:38**
- Installment agreements, **3:36 to 3:38**
- Installment agreements, small dollar amounts, **3:36**
- Levies, **3:41**
- Liens, **3:35**
- Makeup, **3:30**
- Mission, **3:29**
- Priority processing, **3:34**
- Private collection agencies, **3:43**
- Queue, **3:33**
- Resource workload management system, **3:34**
- Streamlined installment agreements, **3:37**
- Suspension of collection, **3:40**
- Teams, **3:31**

**AUTOMATIC DATA PROCESSING (ADP)**

- Information retrieval from IRS, **2:4 to 2:7**
- Transaction codes, **App. 2D**

**AUTOMATIC STAY**

- Generally, **8:1 to 8:46**
- Abuse of automatic stay, **8:18**
- Adequate protection, **8:21**
- Assessments in violation of, **8:7**
- Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), **8:15**
- Cash collateral agreement and interim order approving agreement, **App. 8C**
- Codebtors, **8:37**
- Community property, **8:27**
- Damages for violation of
  - generally, **8:28 to 8:36**
  - administrative claim procedures, **8:36**
  - bankruptcy procedural violations, **8:34**
  - emotional distress damages, **8:29**
  - IRS, damages, **8:30**
  - recoverable damages, **8:35**
  - section 106(a), **8:31, 8:32**
  - sovereign immunity, **8:31**
  - unauthorized collection actions, **8:33**
- Duration of, **8:4, 8:13 to 8:18**
- Emotional distress damages, **8:29**
- Estate property, **8:24 to 8:27**
- Excluded acts, **8:5, 8:6**
- Guarantors, **8:38**
- Installment agreements and bankruptcy, **8:10, 8:11**
- Interim order approving agreement, **App. 8C**
- Internal Revenue Manual (IRM), **18:14, 18:15**

## **AUTOMATIC STAY—Cont'd**

Jurisdiction of Tax Court, **8:45, 8:46**  
 Lack of equity, relief for cause due to, **8:20**  
 Levy and seizure, effect on, **4:76**  
 Motion for relief from stay, **App. 8B**  
 Nontax items affected by stay, **8:3**  
 Offset of debts against debtor, **8:42 to 8:44**  
 Order and stipulation, **App. 8A**  
 Overview, **1:5**  
 Payments on a pre-existing installment agreements, **8:11**  
 Period of, **8:4**  
 Permitted tax acts, **8:9**  
 Prohibited tax acts, **8:8**  
 Relief from, **8:19 to 8:21**  
 Scope, **8:2**  
 Sovereign immunity, **8:31**  
 Subsequent tax refunds, IRS's right to collect taxes discharged from, **8:43**  
 Taxes, **8:39**  
 Third parties, **8:37 to 8:39**  
 Trust fund recovery penalty, **8:40, 8:41**  
 Ultra vires petition, **8:17**  
 Unauthorized collection actions, **8:33**  
 Violations, **8:33**

## **B**

## **BANK ACCOUNTS**

Levy and seizure, **4:85, 4:87**  
 Liens, **4:43**

## **BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2005 (BAPCPA)**

Alternatives to bankruptcy, **5:2**  
 Automatic stay, **8:15**  
 Cancellation of indebtedness and bad debts, **15:74**  
 Chapter 7—liquidation, **7:92**  
 Chapter 11—reorganization, **7:109**  
 Chapter 13—wage earner, **7:119**  
 Discharge of taxes and penalties  
     Post-BAPCPA, examples, **10:45**  
     Pre-BAPCPA, examples, **10:44**  
 Offers in compromise, **6:4**

## **BANKRUPTCY LAW**

Generally, **7:1 to 7:136**  
 Alternative dispute resolution use by Department of Justice, **7:73 to 7:75**  
 Appeals  
     generally, **7:28 to 7:37**  
     for detailed treatment see index heading  
         APPEALS  
 Appointment of trustee, **7:105**

## **BANKRUPTCY LAW—Cont'd**

Assistant Attorney General's settlement authority, **7:71**  
 Associate Attorney General's settlement authority, **7:72**  
 Automatic stay  
     generally, **8:1 to 8:46**  
     for detailed treatment see index heading  
         AUTOMATIC STAY  
 Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. See index heading  
     BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2005 (BAPCPA)  
 Bankruptcy Acts and Amendments of 1800, 1841, 1867, 1898 and 1948, **7:1**  
 Bankruptcy Reform Act of 1978 and 1984 amendments, **7:4**  
 Bankruptcy Reform Act of 1994, **7:5**  
 Bankruptcy tax litigation  
     alternative dispute resolution, **7:73 to 7:75**  
     appeals  
         generally, **7:60 to 7:64**  
         for detailed treatment, see index heading  
             APPEALS  
     bankruptcy rules, **7:57**  
     government, **7:56**  
     initial assignment of case, **7:58**  
     referrals to Tax Division of Justice Department, **7:59**  
     settlements  
         generally, **7:65 to 7:79**  
         for detailed treatment, see index heading  
             SETTLEMENTS  
 Business debtors generally, **7:43**  
 Chapter 7 - liquidation  
     generally, **7:81 to 7:103**  
     for detailed treatment, see index heading  
         CHAPTER 7 - LIQUIDATION  
 Chapter 11 - reorganization  
     generally, **7:104 to 7:109**  
     for detailed treatment see index heading  
         CHAPTER 11 - REORGANIZATION  
 Chapter 12 - family farmer or family fisherman, **7:110, 7:111**  
 Chapter 13 - wage earner  
     generally, **7:112 to 7:127**  
     for detailed treatment see index heading  
         BANKRUPTCY LAW  
 Chapter 15 - cross-border proceedings, **7:128 to 7:130**  
 Chief counsel, **7:54**  
 Collection financial standards, **App. 7O**  
 Comparison of general debtor-creditor and IRS procedures, **App. 3A**  
 Courts, bankruptcy courts, **7:6**  
 Credit counseling agencies, approved, **App. 7F**

## **BANKRUPTCY LAW—Cont'd**

- Creditors, generally, **7:45**
- Creditors committee, **7:108**
- Debt relief agencies, **7:82**
- Debtor education
  - approved providers, **App. 7G**
  - certificate of completion of postpetition instructional course concerning personal financial management, **App. 7M**
- Debtors, generally, **7:41**
- Exemptions, individual filing, **7:136**
- Family farmer or family fisherman, **7:110, 7:111**
- Government as party, **7:51**
- Liens, “property” of taxpayer for purposes of, **4:51**
- Liquidation
  - generally, **7:81 to 7:103**
  - for detailed treatment, see index heading CHAPTER 7 - LIQUIDATION
- Mean test calculation, Chapter 7, **App. 7J**
- Median family income by family size, **App. 7H**
- Organization of Bankruptcy Code, **7:10 to 7:12**
- Parties
  - generally, **7:40 to 7:55**
  - for detailed treatment see index heading PARTIES IN BANKRUPTCY
- Proof of claim
  - for detailed treatment, see index heading PROOF OF CLAIM
- Reorganization
  - see index heading CHAPTER 11 - REORGANIZATION
  - generally, **7:104 to 7:109**
- Servicemembers Civil Relief Act
  - generally, **7:131 to 7:135**
  - for detailed treatment see index heading SERVICEMEMBERS CIVIL RELIEF ACT
- Settlements
  - generally, **7:65 to 7:72**
  - for detailed treatment see index heading SETTLEMENTS
- Spousal income, **7:96**
- Statement of current monthly income
  - Chapter 7, **App. 7I**
  - Chapter 11, **App. 7K**
  - Chapter 13, **App. 7L**
- Summary of Changes made by the BAPCPA, **App. 7C**
- Summary of major points of bankruptcy proceedings, **App. 7B**
- Table of contents—Bankruptcy Code, **App. 7D**
- Types of bankruptcy, **7:80 et seq.**
- Voluntary petition, **App. 7A**
- Wage earner bankruptcy
  - generally, **7:112 to 7:127**
  - for detailed treatment see index heading CHAPTER 13 -WAGE EARNER

## **BANKRUPTCY TAX ACT OF 1980**

- Individual bankruptcy estates, taxation of, **App. 14C**
- Taxation of individual and partnership bankruptcy estates, **14:2**

## **BASIS REDUCTION**

- Cancellation of indebtedness and bad debts generally, **15:25 to 15:39**
- for detailed treatment, see index heading CANCELLATION OF INDEBTEDNESS AND BAD DEBTS

## **BIBLIOGRAPHY**

- Generally, **1:2**
- References and cites, **1:16**

## **BOATS**

- Offers in compromise, **6:57**

## **BOOKLET 656**

- Offer in compromise, **App. 6A**

## **BRICKLEY PROBLEM, DISCHARGE OF TAXES AND PENALTIES**

- Generally, **10:67**
- For detailed treatment see index heading DISCHARGE OF TAXES AND PENALTIES

## **BUILT-IN GAINS**

- Generally, **16:49 to 16:55**
- For detailed treatment, see index heading NET OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS

## **BULLETIN INDEX-DIGEST SYSTEM**

- Internal Revenue Service, **1:105**

## **BURDEN OF PROOF**

- Abatement of penalties and interest, **5:92**
- Discharge litigation involving nontax debts, **9:53**
- Discharge of taxes and penalties, **10:82 to 10:84**
- Proof of claim, **12:11, 12:12**

## **BUSINESS TAXPAYERS**

- Collection information statements, **5:51**
- Installment agreements, **5:24, 5:25, 5:51**

## **BUSINESS TRUSTS**

- Liens, **4:45**

## **C**

## **CALIFORNIA**

- Offers in compromise, **App. 6E, App. 6F**

## **CAMPUSES**

- Internal Revenue Service organization, **1:27**

## **CANCELLATION OF INDEBTEDNESS AND BAD DEBTS**

- Generally, **15:1 to 15:94**



**CANCELLATION OF INDEBTEDNESS AND  
BAD DEBTS—Cont'd**

Accrual basis taxpayers, **15:90**  
 Attribute reduction, **15:81**  
 Bankruptcy Abuse Prevention and Consumer  
 Protection Act of 2005 (BAPCPA), **15:74**  
 Bankruptcy Tax Act of 1980, **15:6**  
 Basis reduction  
   generally, **15:25 to 15:39**  
   carryovers preserved, **15:36**  
   depreciable property, **15:37**  
   election to reduce basis, **15:27**  
   exempted property, **15:32**  
   farm property, **15:29**  
   farmers. Farmers, below  
   IRC 108(b)(5), **15:26**  
   limitations on, **15:34**  
   order of basis reduction under IRC  
     108(b)(2)(e), **15:31**  
   parent-subsidiary corporations rule, **15:38**  
   partnership rule, **15:39**  
   pro rata reduction, **15:35**  
   property basis reduction rules, **15:30**  
   recapture, **15:33**  
   reduction of tax attributes compared, **15:28**  
   timing of, **15:40, 15:41**  
 Carryovers preserved, **15:36**  
 Contributions to capital of indebtedness, **15:69**  
 Creditor issues  
   generally, **15:88 to 15:94**  
   accrual basis taxpayers, **15:90**  
   bad debts, **15:89**  
   creditor's viewpoint, **15:88**  
   lender/creditor purchases at foreclosure, **15:92**  
   secured debt, **15:91**  
   seller financed real estate reacquisition, **15:93**  
   worthless securities, **15:94**  
 Deferral and ratable inclusion of income from  
   business indebtedness discharged by  
   reacquisition of debt  
   generally, **15:58 to 15:64**  
   acceleration of deferred income, **15:60**  
   applicable debt instrument, **15:63**  
 C and S corporations, special rules for electing,  
   **15:62**  
   making the election, **15:59**  
   partnership, special rules for electing partner-  
     ship, **15:61**  
   reacquisition, generally, **15:64**  
 Definition of insolvency, **15:19**  
 Depreciable property, **15:37**  
 Dollar-for-dollar reduction, **15:23**  
 Election to reduce basis, **15:27**  
 Estate reduction, **15:18**  
 Exceptions, **15:3, 15:66**

**CANCELLATION OF INDEBTEDNESS AND  
BAD DEBTS—Cont'd**

Exclusions generally, **15:8**  
 Exempted property, **15:32**  
 Farmers  
   generally, **15:42 to 15:48**  
   basis reduction, **15:29**  
   commodity certificates, **15:48**  
   limited usefulness of IRC 108(g), **15:47**  
   order of basis reduction, **15:44**  
   qualified farm indebtedness, **15:45**  
   qualified person, **15:46**  
   qualified property, **15:43**  
 Foreclosure, lender/creditor purchases at, **15:92**  
 Form 982, **15:21, App. 15A**  
 "G" reorganization, **15:83**  
 Income realized, **15:2**  
 Insolvency defined, **15:19**  
 Insolvency determination, **15:4**  
 IRC 108  
   generally, **15:7 to 15:12**  
   basis reduction. Basis reduction, above  
   exclusions generally, **15:8**  
   modification of debt, **15:11**  
   qualification for exclusion, **15:10**  
   reduction of principal, **15:12**  
   reduction of tax attributes under. Reduction of  
     tax attributes under IRC 108, below  
   Title 11 case, **15:9**  
 Modification of debt, **15:11**  
 Nonrecourse debt, **15:13 to 15:16**  
 Order of basis reduction under IRC 108(b)(2)(e),  
   **15:31**  
 Order of reduction, **15:20, 15:31**  
 Parent-subsidiary corporations rule, **15:38**  
 Partnerships, **15:39, 15:50, 15:70**  
 Principal residence indebtedness  
   generally, **15:52 to 15:57**  
   background, **15:52**  
   basis adjustment, **15:57**  
   coordination of exclusions, **15:55**  
   definition of qualified personal residence,  
     **15:56**  
   ordering rules, **15:54**  
   QPRI income exclusion, **15:53**  
 Prior Bankruptcy Acts, **15:5**  
 Pro rata reduction, **15:35**  
 Property basis reduction rules, **15:30**  
 Purchase price adjustments, **15:14**  
 Qualification for exclusion, **15:10**  
 Real property, **15:49 to 15:51, 15:93, 17:33**  
 Recapture, **15:33, 15:82**  
 Recourse vs nonrecourse debt, **15:13 to 15:16**  
 Reduction of principal, **15:12**

## **CANCELLATION OF INDEBTEDNESS AND BAD DEBTS—Cont'd**

- Reduction of tax attributes under IRC 108
  - generally, **15:17 to 15:24**
  - attribute reduction for member of consolidated group, **15:24**
  - basis reduction compared, **15:28**
  - definition of insolvency, **15:19**
  - dollar-for-dollar reduction, **15:23**
  - estate reduction, **15:18**
  - Form 982, **15:21**
  - order of reduction, **15:20**
  - zero, reduction to, **15:22**
- Reporting requirements, **15:87**
- Residence. Principal residence indebtedness, above
- Revenue Reconciliation Act of 1993, **15:78**
- S corporations, **15:51, 15:70, 15:71**
- State and local taxes, **15:72 to 15:74**
- Stock for debt rules
  - generally, **15:75 to 15:86**
  - attribute reduction, **15:81**
  - exchanges of partnership debt for equity, **15:86**
  - “G” reorganization, **15:83**
  - 1990 tax legislation, **15:85**
  - non-title 11 proceeding, **15:76**
  - recapture rule, **15:82**
  - Revenue Reconciliation Act of 1993, **15:78**
  - Tax Reform Act of 1986, **15:84**
  - Title 11 or insolvency, **15:77**
  - token or nominal shares, **15:79**
  - unsecured creditor’s receipt of stock, **15:80**
- Tax benefit rule, **15:65, 15:66**
- Tax consequences, **15:1**
- Tax Reform Act of 1986, **15:84**
- Timing of basis reduction, **15:40, 15:41**
- Token or nominal shares, **15:79**
- Unamortized bond premium or discount, **15:67**
- Unsecured creditor’s receipt of stock, **15:80**
- Worthless securities, **15:94**
- Zero, reduction to, **15:22**

## **CARRYOVERS**

- Attributes, **14:37**
- Cancellation of indebtedness and bad debts, **15:36**
- Individual bankruptcy estates, generally, **14:28**
- Net operating losses (NOLS) and credit carryforwards
  - generally, **16:1 to 16:106**
  - for detailed treatment, see index heading NET OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS
- Partnership bankruptcy estates, generally, **14:28**
- Passive activity losses, **14:22, 14:23, 14:28, 14:29**

## **CASE CLOSING**

- Internal Revenue Manual (IRM), **18:46 to 18:49**

## **CASH**

- Advances, dischargeability of consumer debts for, **9:62**
- Levy and seizure, **4:89**
- Liens, **4:48**
- Offers in compromise, **6:19, 6:52**

## **CHAPTER 7—LIQUIDATION**

- Generally, **7:81 to 7:103**
- Abuse, generally, **7:94**
- Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), generally, **7:92**
- Claims, **7:84**
- Consumer debts, **7:89**
- Conversion to Chapter 12 or 13, **7:93**
- Debtor’s duties, **7:85**
- Debts excepted from discharge, **7:88**
- Denial of discharge, **7:87**
- Discharge of taxes and penalties
  - generally, **7:87, 7:88**
  - for detailed treatment see index heading DISCHARGE OF TAXES AND PENALTIES
- Examples, **7:102**
- Exemptions, **7:86**
- Internal Revenue Manual (IRM), **18:20**
- IRS expenses, § 707(b)(2)(A)(ii), **7:98**
- Mean test calculation, **App. 7J**
- Means testing, **7:95**
- Monthly expenses, **7:97**
- Non-IRS expenses, § 707(b)(2)(A)(iii), **7:99**
- Official form 122A-2, **7:103**
- Procedure, **7:90**
- Property of estate, **7:83**
- Reaffirmation, **7:91**
- Second round of deductions, § 707(b)(2)(A)(iii), **7:100**
- Statement of current monthly income, **App. 7I**
- Third round of deductions, § 707(b)(2)(A)(iv), **7:101**
- Trust fund payments, designation, **11:63**

## **CHAPTER 11—REORGANIZATION**

- Generally, **7:104 to 7:109**
- Appointment of trustee, **7:105**
- Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), generally, **7:109**
- Creditors committee, **7:108**
- Dischargeability
  - generally, **9:66 to 9:75**
  - failure to keep adequate records, **9:69**
  - false oaths, **9:70**

## **CHAPTER 11—REORGANIZATION—Cont'd**

- Dischargeability—Cont'd
  - fraudulent transfer or concealment of property, **9:68**
  - objections to discharge, **9:67**
  - prior discharge, **9:74**
  - refusal to testify or obey orders, **9:72**
  - revocation of discharge, **9:76**
  - taxes and penalties, generally, **7:107**
  - unsatisfactory explanation of losses, **9:71**
  - waiver of discharge, **9:75**
  - wrongful conduct in insider cases, **9:73**
- False oaths, **9:70**
- Fraudulent transfer or concealment of property, **9:68**
- Insider cases, wrongful conduct in, **9:73**
- Internal Revenue Manual (IRM), **18:55 to 18:57**
- Net operating losses (NOLS) and credit carryforwards
  - generally, **16:84 to 16:100**
  - for detailed treatment, see index heading **NET OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS**
- Objections to discharge, **9:67**
- Ongoing business, bankruptcy for
  - generally, **11:1 to 11:81**
  - for detailed treatment see index heading **ONGOING BUSINESS, BANKRUPTCY FOR**
- Plan of reorganization, **7:106**
- Prior discharge, **9:74**
- Recordkeeping failure, **9:69**
- Revocation of discharge, **9:76**
- Statement of current monthly income, **App. 7K**
- Testimonial refusal, **9:72**
- Unsatisfactory explanation of losses, **9:71**
- Waiver of discharge, **9:75**

## **CHAPTER 12—FAMILY FARMERS AND FAMILY FISHERMEN**

- Generally, **7:110, 7:111**
- Discharge of taxes and penalties, **10:24, 10:25**
- Interest, **13:42**

## **CHAPTER 13—WAGE EARNER**

- Generally, **7:112 to 7:127**
- Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (BAPCPA), generally, **7:119**
- Conditions for discharge, **7:127**
- Confirmation of plan, **7:124**
- Contents of plan, **7:122**
- Discharge of taxes and penalties
  - generally, **7:116 et seq.**
  - for detailed treatment see index heading **DISCHARGE OF TAXES AND PENALTIES**
- Dismissal for failure to pay domestic support obligation, **7:120**

## **CHAPTER 13—WAGE EARNER—Cont'd**

- Disposable income, **7:125**
- Filing tax returns, **7:121**
- Full performance discharge, **7:117**
- Hardship discharge, **7:118**
- Length of plan, **7:123**
- Ongoing business, bankruptcy for, **11:64, 11:78**
- Payment plan, **7:113**
- Payments, **7:126**
- Requirements, **7:114, 7:115**
- Statement of current monthly income, **App. 7L**

## **CHAPTER 15—CROSS-BORDER PROCEEDINGS**

- Generally, **7:128 to 7:130**

## **CHARITY EXPENSES**

- Collection information statements, **5:44**

## **CHECKS**

- Transfers by, **9:47**

## **CHIEF COUNSEL**

- Generally, **1:45**
- Bankruptcy law, **7:54**
- Diagram of office of chief counsel, **App. 1Y**
- Legal divisions, **App. 1X**
- Locations of office of chief counsel, **App. 1W**
- Organization of chief counsel, **1:46**

## **CHILD SUPPORT**

- Discharge litigation involving nontax debts, **9:54**
- Internal Revenue Manual (IRM), **18:42**
- Offers in compromise, **6:46**

## **CIVIL SERVICE**

- Internal Revenue Service employees, **1:55**
- Levy and seizure of retirement assets, **4:92**

## **CLAIMS**

- See index heading **PROOF OF CLAIM**

## **CLOSELY HELD CORPORATIONS**

- Offers in compromise, **6:53**

## **COLLATERAL AGREEMENTS**

- Automatic stay, **App. 8C**
- Form 2261, **App. 6B**
- Offers in compromise, **6:102 to 6:105, App. 6B**

## **COLLATERAL ESTOPPEL**

- Discharge of taxes and penalties, **10:34**

## **COLLECTION APPEALS PROGRAM**

- Generally, **3:56 to 3:64, 5:53 to 5:57**
- ACS cases under cap, **5:56**
- Binding effect of decision, **3:64**
- Collection appeal request (Form 9423), **App. 3D**
- Effect of decision under cap, **5:57**
- Equitable relief, **3:108, 3:109**
- Excluded issues, **3:57**



## COLLECTION APPEALS PROGRAM

### —Cont'd

- Exclusions from program, **5:54**
- Format, **3:60**
- Procedures, **3:59, 3:62, 5:55**
- Publication 1660 collection appeal rights, **App. 3C**
- Scope, **3:58, 3:63**
- Suspension of enforcement, **3:61**

## COLLECTION DUE PROCESS (CDP)

### HEARING

- Levy and seizure
  - generally, **4:10 to 4:17**
  - for detailed treatment, see index heading **LEVY AND SEIZURE**
- Liens, **4:5 to 4:8**

## COLLECTION INFORMATION

### STATEMENTS (CIS)

- Generally, **5:32 to 5:52**
- BMF accounts, financial analysis for, **5:52**
- Business taxpayers, **5:51**
- Businesses, **App. 5N**
- Charity expenses, **5:44**
- Conditional expenses, **5:47 to 5:49**
- Education expenses, **5:44**
- Excessive necessary and conditional expenses incurred after assessment of tax liability, **5:49**
- Expenses allowable, **5:38**
- Expenses guide, **App. 5E**
- Financial analysis, **5:33, 5:52, App. 5F**
- Form 433-A, **5:34**
- Form 433-B, **5:35**
- Housing expenses, **App. 5K**
- IRS collection process (Publication 594), **App. 5L**
- Local standards, **5:42**
- Local taxes, **5:46**
- National standards, **5:40, 5:41, App. 5G, App. 5H**
- Necessary expenses, **5:44 to 5:46**
- One-year elimination rule for conditional expenses, **5:48**
- Purpose, **5:36**
- Questions and answers to assist in financial analysis (Exhibit 5.15.1-1), **App. 5J**
- Report of currently not collectible taxes (Form 53), **App. 5D**
- Revenue officer analysis, **5:37**
- Short form, **App. 5O**
- Six-year and one-year rules, **5:39**
- State taxes, **5:46**
- Transportation expenses, **App. 5I**
- Types, **5:32**
- Unsecured debts, **5:45**

## COLLECTION INFORMATION

### STATEMENTS (CIS)—Cont'd

- Utility expenses, **App. 5K**
- Verification, **5:50**
- Wage earners and self-employed individuals, **App. 5M**

## COLLECTION OF TAXES

- Generally, **3:1 to 3:114**
- Accelerated issuance for delinquents and larger individual income tax cases, **3:19**
- Appeals
  - generally, **3:56 to 3:64**
  - for detailed treatment, see index heading **COLLECTION APPEALS PROGRAM**
- Appeals process, **3:77**
- Application of stay to “statute of limitations on collection and assessment,” **8:13 to 8:18**
- Assessment. See index heading **ASSESSMENT OF TAXES**
- Business taxpayers generally, **3:20**
- CDP notice — 1058 letter, **3:23**
- Collection information statements (CIS)
  - generally, **5:32 to 5:52**
  - for detailed treatment, see index heading **COLLECTION INFORMATION STATEMENTS (CIS)**
- Compliance, filing and paying compliance, **1:39**
- Computer calls, **3:32**
- Credit cards, **3:6**
- Debtor-creditor relationship of IRS claim, **3:11 to 3:13**
- Due process procedures, generally, **4:1 et seq.**
- Equitable relief
  - generally, **3:96 et seq.**
  - court review, **3:108, 3:109**
  - eligibility, **3:100**
  - factors, **3:101, 3:102**
  - innocent spouse relief
    - generally, **3:78 et seq.**
    - for detailed treatment, see index heading **INNOCENT SPOUSE RELIEF**
  - making election for relief under IRS 6015, **3:104**
  - period for making election, **3:107**
  - refunds, **3:103, 3:112**
  - regulations, **3:114**
  - res judicata 6015(g)(2), **3:113**
  - Revenue Procedure 2013-34, superseding Revenue Procedure 2003-61, **3:99**
  - suspension of collection, **3:111**
  - tax paid before July 22, 1998, **3:106**
- Equivalent hearing, **3:75 to 3:77**
- Extension of time for filing returns, **3:4**
- Filing return, **3:3, 3:16**
- Final notice, **App. 3L**
- IDRS, operation of, **3:17**

## COLLECTION OF TAXES—Cont'd

- Impact of bankruptcy on collection, **App. 18A**
- Innocent spouse relief
  - generally, **3:78 et seq.**
  - for detailed treatment, see index heading  
INNOCENT SPOUSE RELIEF
- Installment agreements, **3:36**
- Levy and seizure
  - generally, **4:73 to 4:111**
  - for detailed treatment, see index heading LEVY  
AND SEIZURE
- Liens
  - generally, **3:35, 4:1 to 4:112**
  - for detailed treatment, see index heading LIENS
- Litigation, generally, **3:13**
- Notice
  - generally, **3:9**
  - business taxpayers generally, **3:20**
  - CDP notice — 1058 letter, **3:23**
  - final notice, **App. 3L**
  - first notice, reminder of balance due, **App. 3H**
  - general notification provisions, **3:10**
  - levy, **3:21, 3:73**
  - lien — IRC 6320, **3:72**
  - Notice 504, **App. 3K**
  - post notice hearing, **3:24**
  - second notice and demand overdue tax, **App. 3I**
  - third notice and demand urgent payment  
required, **App. 3J**
- Organization of collection function, **3:14 to 3:17**
- Post notice hearing, **3:24**
- Refunds, **3:103, 3:112**
- Relief from collection
  - generally, **3:55 to 3:114**
  - appeals
    - generally, **3:56 to 3:64**
    - for detailed treatment, see index heading  
APPEALS
  - appeals process, **3:77**
  - due process procedures, **3:71**
  - equitable relief. Equitable relief, above
  - equivalent hearing, **3:75 to 3:77**
  - extension of statute of limitations, **3:70**
  - innocent spouse relief
    - generally, **3:78 et seq.**
    - for detailed treatment, see index heading  
INNOCENT SPOUSE RELIEF
  - proposed regulations, **3:82, App. 3S**
  - suspension of collection, **3:76, 3:111**
  - Tax Court hearing rights, **3:74**
  - taxpayer advocate, **3:65 to 3:67**
  - taxpayer assistance orders (TAO), **3:65, 3:68, 3:69**
- Revenue officers
  - generally, **3:45 to 3:50**

## COLLECTION OF TAXES—Cont'd

- Revenue officers—Cont'd
  - for detailed treatment, see index heading REVE-  
NUE OFFICERS
- Revenue Procedure 2013-34, superseding Reve-  
nue Procedure 2003-61, **3:99**
- Submission processing center
  - generally, **3:18 to 3:27**
  - for detailed treatment, see index heading  
SUBMISSION PROCESSING CENTER
- Summary of collection function, **3:53, 3:54**
- Support staff, **3:44**
- Suspension. See index heading SUSPENSION OF COL-  
LECTION
- Suspension of collection, **3:76, 3:111**
- Suspension of enforcement, **3:61**
- Tax Court hearing rights, **3:74**
- Tax paid before July 22, 1998, **3:106**
- Taxpayer advocates, **3:65 to 3:67**
- Technical support (previously SPF), **3:51, 3:52**
- Timely filing, **3:4, 3:5**
- Unfiled tax returns, **3:27**

## COMMISSION INCOME

- Property of estate, **9:12**

## COMMISSION ON BANKRUPTCY LAWS

- Generally, **7:3**

## COMMISSIONER OF INTERNAL REVENUE

- Generally, **1:24**

## COMMUNITY PROPERTY

- Automatic stay, **8:27**
- Discharge of taxes and penalties, **10:94**
- Internal Revenue Manual (IRM), **18:15**
- Liens, **4:38**
- Offers in compromise, **App. 6R**
- Prebankruptcy planning, **9:13**
- Relief from collection, **3:97**

## COMPENSATION APPLICATION GUIDELINES

- Generally, **App. 7E**

## COMPOUNDED INTEREST

- Generally, **13:3**

## CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

- Freedom of information and Privacy Acts
  - generally, **2:27 to 2:53**
  - for detailed treatment, see index heading  
FREEDOM OF INFORMATION AND PRIVACY ACTS
- Offers in compromise, public inspection of, **6:97, 6:125**
- Taxpayer rights, **5:61**

## CONFIRMATION

- Lien extinguished if no objection, **10:48**

## INDEX

### CONSUMER DEBTS

Generally, **7:42, 7:89**

Discharge litigation involving nontax debts, **9:62**

### CONTINGENT CLAIMS

Proof of claim, **12:5**

### CORPORATIONS

Cancellation of indebtedness and bad debts, **15:38**

Deferral and ratable inclusion of income from business indebtedness discharged by reacquisition of debt, **15:62**

Internal Revenue Manual (IRM), **18:54**

Net operating losses (NOLS) and credit carryforwards

generally, **16:58 to 16:62**

for detailed treatment, see index heading **NET OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS**

Officer's taxes, payments of debtor to, **11:70**

### CREDIT CARD CASES

Discharge litigation involving nontax debts, **9:63**

### CREDIT COUNSELING AGENCIES

Approved, **App. 7F**

### CREDIT REPORT

Prebankruptcy planning, **9:2**

### CREDITORS

Generally, **7:45**

### CREDITORS COMMITTEE

Generally, **7:108**

### CREDITS

Internal Revenue Manual (IRM), **18:43, 18:44**

### CRIMINAL EXCLUSIONS

Freedom of information and Privacy Acts, **2:36**

### CRIMINAL INVESTIGATION DIVISION (CID)

Internal Revenue Service, **1:41**

### CRIMINAL PROSECUTION

Ongoing business, bankruptcy for, **11:40**

## D

### DAMAGES FOR AUTOMATIC STAY VIOLATION

Generally, **8:28 to 8:36**

For detailed treatment see index heading

**AUTOMATIC STAY**

### DEBT RELIEF AGENCIES

Bankruptcy law, **7:82**

### DEBTORS

Generally, **7:41**

### DEDUCTIONS

Interest, **13:8**

Trust fund recovery penalty payment, **11:72**

### DEFAULTS

Offers in compromise, **6:130, 6:131**

Servicemembers Civil Relief Act, protection against default judgments, **7:133**

### DELAYING COLLECTION

Offers in compromise submitted solely for, **6:28, 6:29**

### DELINQUENT RETURNS

Discharge of taxes and penalties, **10:15, 10:66**

### DELINQUENT STATE AND LOCAL TAXES

Offers in compromise, income determination, **6:75**

### DEPARTMENT OF JUSTICE

Generally, **1:47 to 1:54**

Alternative dispute resolution use, **7:73 to 7:75**

Appellate role, **1:54**

Associate attorney general, **1:50**

Criminal Enforcement Sections, **1:53**

Criminal role, **1:53**

Deputy attorney general, **1:49**

Offers in compromise, **6:21, 6:86**

Organization, **1:48**

Parties to bankruptcy, **7:55**

Referrals to Tax Division, **7:59**

Solicitor general, **1:51**

Tax division

generally, **1:52**

civil trial sections, **App. 1L**

criminal sections, **App. 1M**

Internal Revenue Manual (IRM), **18:7**

organizational chart, **App. 1K**

referrals to, **7:59**

U.S. Attorney General

organization chart, **App. 1J**

special assistant U.S. attorney directory, **App. 1O**

Tax Division, referrals to, **7:59**

U.S. Attorneys

bankruptcy law, **7:55**

Internal Revenue Manual (IRM), **18:8**

party to bankruptcy, **7:55**

### DEPOSITS

Interest, **13:6**

Offers in compromise, **6:88**

### DEPUTY ASSISTANT ATTORNEY GENERAL

Settlement authority, **7:69**

## DISCHARGE

- Chapter 11 - reorganization
  - generally, **9:66 to 9:75**
  - for detailed treatment, see index heading
    - CHAPTER 11 - REORGANIZATION
- Internal Revenue Manual (IRM), **18:26**
- Nontax debts. See index heading DISCHARGE LITIGATION INVOLVING NONTAX DEBTS
- Offers in compromise, **6:101**
- Partnership debts, **14:46**
- Penalties. See index heading DISCHARGE OF TAXES AND PENALTIES
- Proof of claim, dischargeability, **12:24**
- Taxes. See index heading DISCHARGE OF TAXES AND PENALTIES

## DISCHARGE LITIGATION INVOLVING NONTAX DEBTS

- Generally, **9:51 to 9:65**
- Actual fraud, **9:58**
- Attorneys' fees, **9:64**
- Borrowing to pay taxes, **9:65**
- Burden of proof, **9:53**
- Cash advances, consumer debts for, **9:62**
- Consumer debts, **9:62**
- Credit card cases, **9:63**
- False financial statements, **9:58**
- Family support obligation, **9:54**
- Fiduciary fraud and defalcation, **9:57**
- History, **9:55**
- Intent to deceive, **9:60**
- Luxury goods and services, consumer debts for, **9:62**
- Reasonable reliance, **9:61**
- Tort liabilities, **9:56**
- Written statement of financial condition, **9:59**

## DISCHARGE OF TAXES AND PENALTIES

- Generally, **10:1 to 10:94**
- Account transcript, **App. 10L, App. 10M, App. 10N**
- Additional deficiency assessment, **App. 10J**
- Administrative tax claims, **10:7**
- Allocation of payments, **10:87**
- Assessment of tax and interest, generally, **10:37 to 10:40, App. 10D**
- Brickley problem
  - generally, **10:67**
  - Chapter 20, use of, **10:67**
- Burden of proof, **10:82 to 10:84**
- Chapter 7
  - generally, **7:87, 7:88**
  - Brickley problem. Brickley problem, above
- Chapter 11 - reorganization, **7:107, 10:24, 10:25**
- Chapter 12 - family farmers and family fishermen, **10:24, 10:25**

## DISCHARGE OF TAXES AND PENALTIES

### —Cont'd

- Chapter 13
  - generally, **7:116 et seq., App. 10C**
  - Brickley problem. Brickley problem, above
  - conditions for discharge, **7:127**
  - fraudulent returns, late filed and unfiled tax returns, **10:66**
  - income taxes, **10:24, 10:25**
  - lien stripping — Chapter 13, **10:51**
  - state tax assessments, **10:40**
- Chapter 20, use of, **10:67**
- Collateral estoppel, **10:34**
- Community property, **10:94**
- Confirmation, lien extinguished if no objection, **10:48**
- Deficiency assessment, **10:38, App. 10G, App. 10J**
- Deficiency procedures, **10:20**
- Delinquently filed returns, **10:15**
- Employment taxes, **10:55, 10:56**
- Erroneous refund claims, **10:14**
- Erroneous refund liability, **10:91**
- Evasion of taxes
  - generally, **10:26 to 10:53**
  - for detailed treatment see index heading FRAUD AND EVASION OF TAXES
- Excise taxes, **10:57, 10:58**
- Extensions, **10:13**
- Filing of return, transcript indicating, **App. 10I**
- Fraud and evasion
  - generally, **10:26 to 10:53**
  - for detailed treatment see index heading FRAUD AND EVASION OF TAXES
- FTL as secured claim, **10:53**
- Income taxes
  - generally, **10:3 to 10:25, App. 10E**
  - administrative tax claims, **10:7**
  - case law, **10:17**
  - Chapter 11, 12, or 13 where no return is filed, **10:24**
  - deficiency procedures, **10:20**
  - delinquently filed returns, **10:15**
  - 11 USCA 507, **10:6 to 10:9**
  - 11 USCA 523(a)(1)(a), **10:5**
  - erroneous refund claims, **10:14**
  - extensions, **10:13**
  - federal returns, **10:22**
  - full discharge of debts, **10:25**
  - general, **10:3**
  - IRC 6020(b) returns, **10:16**
  - priorities, **10:10, 10:11**
  - priority taxes, **10:4**
  - return filed within two years of petition, **10:21**
  - second priority involuntary gap taxes, **10:8**

## DISCHARGE OF TAXES AND PENALTIES

### —Cont'd

Income taxes—Cont'd  
 6020(b) returns, returns filed by taxpayer after, **10:19**  
     state returns, **10:23**  
     substitute returns, **10:20**  
     third priority, **10:9**  
     three-year rule, **10:12**  
     unfiled returns, **10:15, 10:24**  
 Injunction, IRS violation of discharge injunction, **10:93**  
 Innocent spouse, **10:32**  
 Installment agreement and payments, transcript indicating, **App. 10K**  
 Interest. Penalties and interest, below  
 Internal Revenue Manual (IRM), **10:85**  
 Late filed returns, **10:66**  
 Lien stripping, **10:49 to 10:51**  
 Loan to pay taxes, **10:88**  
 Negligence penalty assessment transcript, **App. 10G**  
 Nonfiling of returns, **10:30**  
 Notice of federal tax lien, transcript indicating, **App. 10F**  
 Offers in compromise, **10:41, 10:80**  
 Oversecured creditor, **10:89**  
 Overview, **1:7**  
 Pecuniary penalties, **10:70, 10:72**  
 Penalties and interest  
     generally, **10:68 to 10:79**  
     examples of nonpecuniary penalties, **10:71**  
     federal tax lien, **10:76**  
     interest on dischargeable penalty, **10:77**  
     nondischargeable tax debts, **10:81**  
     nonpecuniary penalties, **10:70**  
     pecuniary penalties, **10:70, 10:72**  
     promoter penalties, **10:75**  
     section 523(a)(7), discharge under, **10:69, 10:73, 10:74**  
     subordination of tax penalties, **10:78**  
     timing of event or transaction, **10:79**  
     transcript of penalty assessment, **App. 10G**  
     types of penalties, **10:68**  
 Pension plans, **10:52**  
 Post-BAPCPA, examples, **10:45**  
 Pre-BAPCPA, examples, **10:44**  
 Preliminary determination, **10:1**  
 Preponderance of evidence, **10:84**  
 Priorities, **10:2, 10:4, 10:10, 10:11**  
 Promoter penalties, **10:75**  
 Property taxes, **10:54, 10:86**  
 Return prepared by taxing authority and taxpayer, **10:18**  
 Second priority involuntary gap taxes, **10:8**  
 Section 507 priorities (11 USCA 507), **App. 10A**

## DISCHARGE OF TAXES AND PENALTIES

### —Cont'd

Section 523, **10:69, 10:73, 10:74, App. 10B**  
 Section 1328 discharge (11 USCA 1328), **App. 10C**  
 Sentence, no discharge based upon, **10:90**  
 Shareholders transferee liability not dischargeable, **10:92**  
 6020(b) returns, **10:16, 10:19**  
 State employment taxes, **10:56**  
 State returns, **10:23**  
 State tax assessment, **10:39, 10:40**  
 Subordination of tax penalties, **10:78**  
 Substitute returns, **10:20**  
 Survival of federal tax lien, **10:47**  
 Tax shelters, **10:35**  
 Third priority, **10:9**  
 Three-year rule, **10:12**  
 Timing of event or transaction, **10:79**  
 Tolling of 240 day period, **10:43**  
 Transcripts  
     generally, **10:42, App. 10H**  
     additional deficiency, assessment of, **App. 10J**  
     deficiency, negligence penalty, and miscellaneous penalty, assessment of, **App. 10G**  
     filing of tax return, **App. 10I**  
     installment agreement and penalties, **App. 10K**  
     notice of federal tax lien, **App. 10F**  
 Trust fund recovery penalty, **10:64, 10:65, 11:56**  
 Trust fund taxes  
     generally, **11:59 to 11:66**  
     for detailed treatment see index heading TRUST  
     FUND TAXES  
 Types of penalties, **10:68**  
 Unfiled returns, **10:15, 10:24, 10:66**  
 Willfulness, **10:29, 10:31**

## DISMISSAL

Petition for individual bankruptcy, **14:6**

## DISPUTED CLAIMS

Proof of claim, **12:5**

## DISSIPATION OF ASSETS

Offers in compromise, **6:66**

## DISTRIBUTION

Proof of claim requirements, **12:4**

## DUE PROCESS

Collection of taxes, **4:1et seq.**

## E

## EARMARKING DOCTRINE

Preferences, **9:48**

## EARNED INCOME CREDITS

Taxation of bankruptcy estates, **14:26**



## **ECONOMIC HARDSHIP**

Offers in compromise, **6:141**

## **EDUCATION EXPENSES**

Collection information statements, **5:44**

## **EFFECTIVE TAX ADMINISTRATION**

### **OFFERS IN COMPROMISE**

Generally, **6:139 to 6:152**

For detailed treatment see index heading OFFERS IN COMPROMISE

## **EMOTIONAL DISTRESS**

Automatic stay, **8:29**

## **EMPLOYEES**

### **IRS**

generally, **1:55 to 1:62**

for detailed treatment, see index heading

INTERNAL REVENUE SERVICE ORGANIZATION

Ongoing business, bankruptcy for, **11:43**

## **EMPLOYMENT TAXES**

Discharge of taxes and penalties, **10:55, 10:56**

## **ENFORCEMENT ACTION SUSPENDED**

Installment agreements, **5:27**

## **EQUITY**

Offers in compromise, **6:146, 6:147**

Relief from collection. See index heading COLLECTION OF TAXES

## **EQUITY SECURITY HOLDERS**

Generally, **7:50**

## **EQUIVALENT HEARING**

Collection of taxes, **3:75 to 3:77**

## **ESTATE TAX YEAR**

Taxation of bankruptcy estates, **14:13**

## **ESTIMATED TAX PAYMENTS**

Interest, **13:15**

## **EVASION OF TAXES**

Generally, **10:26 to 10:53**

For detailed treatment see index heading FRAUD AND EVASION OF TAXES

## **EXCISE TAXES**

Discharge of, **10:57, 10:58**

Offers in compromise, **6:43**

Ongoing business, bankruptcy for, **11:81**

## **EXEMPTIONS**

Generally, **9:18 to 9:32**

Asset value, **9:20**

Comparison of homestead exemptions, **App. 9C**

Determining the homestead exemption, **9:32**

Enforcement and effect of exemptions, **9:18**

Family support obligations, **9:21**

Federal bankruptcy exemptions, **App. 9A**

## **EXEMPTIONS—Cont'd**

Federal exemptions, **9:23**

Federal or state, **9:28**

Homestead exemption, generally, **9:26 et seq.**

Individual filing, **7:136**

Levy and seizure, **4:23, 4:78, 4:79**

Pension plans, **9:33**

Reduction in homestead exemption for certain crimes, torts, or fraudulent transfers, **9:31**

Refunds, **9:19**

Residency requirements for exemption claims, **9:25**

State exemptions, **9:24, App. 9B**

Tenancy by entirety, **9:29**

Trustee procedure, **9:22**

Wildcard, **9:28**

## **EXIGENT CIRCUMSTANCES**

Levy and seizure, **4:103**

## **EXPENSES**

Collection information statements. See index heading COLLECTION INFORMATION STATEMENTS

Taxation of bankruptcy estates, **14:27**

## **EXTENSION OF TIME**

Discharge of taxes and penalties, **10:13**

Filing return, **3:4**

Payment of tax (Form 1127), **App. 3N**

## **F**

## **FAIR DEBT COLLECTION PRACTICES ACT**

Taxpayer rights, **5:67**

## **FALSE FINANCIAL STATEMENTS**

Discharge litigation involving nontax debts, **9:58**

## **FAMILY LIMITED PARTNERSHIP**

Alternatives to bankruptcy, **5:110**

## **FAMILY SUPPORT**

See index heading CHILD SUPPORT

## **FARMERS**

Bankruptcies, generally, **7:110, 7:111**

Cancellation of indebtedness and bad debts generally, **15:42 to 15:48**

for detailed treatment, see index heading

CANCELLATION OF INDEBTEDNESS AND BAD DEBTS

Family farmer, generally, **7:110, 7:111**

## **FEES**

Attorneys' fees See index heading ATTORNEYS' FEES

Bankruptcy law, **7:38, 7:39**

Freedom of Information Act, **App. 2B**

## **FIDUCIARY FRAUD AND DEFALCATION**

Discharge litigation involving nontax debts, **9:57**

## INDEX

### FIDUCIARY RETURNS

Form 1041, **14:7, App. 14B**

Internal Revenue Manual (IRM), **18:38 to 18:40**

### FINANCIAL STATEMENT ANALYSIS

Offers in compromise

generally, **6:48 to 6:66**

for detailed treatment see index heading OFFERS  
IN COMPROMISE

### FISHERMEN

Bankruptcies, generally, **7:110, 7:111**

### FIXTURES

Offers in compromise, **6:56**

### FORECLOSURE

Lender/creditor purchases at, **15:92**

Real property

generally, **17:6 to 17:15, 17:24 to 17:34**

for detailed treatment, see index heading REAL  
PROPERTY

### FOREIGN ACCOUNT TAX COMPLIANCE ACT

Generally, **11:82**

### FOREIGN BANK AND FINANCIAL ACCOUNT REPORTS (FBAR)

Proof of claim, **12:22**

### FOREIGN TRUSTS AND BANK ACCOUNTS

Alternatives to bankruptcy, **5:112**

### FORM 10

Proof of claim, **App. 12A**

### FORM 53

Generally, **App. 5D**

### FORM 56

Fiduciary relationship notice, **App. 14D**

### FORM 433-A

Collection information statement for individuals,  
**5:34**

Offers in compromise, **App. 6P**

### FORM 433-B

Collection information statement for business,  
**5:35**

### FORM 668-A

Notice of levy, **App. 4E**

### FORM 668-B

Levy form, **App. 4F**

### FORM 668-C

Final demand for payment, **App. 4H**

### FORM 668(Y)(c)

Notice of federal tax lien, **App. 4A**

### FORM 843

Refund claim and abatement request, **App. 13C**

### FORM 911

Taxpayer assistance orders, application for  
(ATAO), **App. 3M**

### FORM 982

Reduction of tax attributes under IRC 108, **15:21,**  
**App. 15A**

### FORM 1040

Individual income tax return, **14:8, App. 14B**

Where to file tax return, **App. 1Z**

### FORM 1041

Fiduciary income tax return, **14:7, App. 14B**

### FORM 1127

Extension of time, **App. 3N**

### FORM 2261

Collateral agreements, **App. 6B**

### FORM 2433

Seizure, **App. 4I**

### FORM 2434

Public auction sale notice, **App. 4L**

### FORM 2434-A

Sealed bid sale, **App. 4K**

### FORM 2435

Certificate of sale of seized property, **App. 4M**

### FORM 3911

Taxpayer statement regarding refund, **App. 13B**

### FORM 4585

Minimum bid worksheet, **App. 4J**

### FORM 8546

Reimbursement for bank charges, **App. 4S**

### FORM 8857

Innocent spouse relief request, **App. 3Q**

### FORM 9423

Collection appeals program, **App. 3D**

### FORM 9465

Installment agreement request, **App. 3O, App.**  
**5C**

### FORM 12153

Collection due process (CDP) hearing request,  
**App. 4P**

### FORM 12157

Withdrawal of request for collection due process  
or equivalent hearing, **App. 4BB**

### FORM 13719

Pre-seizure checklist, **App. 4T**

#### **401K PLANS**

Prebankruptcy planning, **9:39**

#### **403(b) ANNUITIES**

Prebankruptcy planning, **9:41**

#### **FRAUD AND EVASION OF TAXES**

Generally, **10:26 to 10:53**

Affirmative acts, **10:33**

Assessment, **10:37 to 10:40**

Collateral estoppel, **10:34**

Confirmation, lien extinguished if no objection, **10:48**

Deficiency assessment, **10:38**

Effect of federal tax lien, **10:46**

Fraud, generally, **10:27, 10:36**

FTL as secured claim, **10:53**

Innocent spouse, **10:32**

Lien stripping, **10:49 to 10:51**

Nonfiling of returns, **10:30**

Offer in compromise, **6:136 to 6:138, 10:41**

Pension plans, **10:52**

Pre-BAPCPA, examples, **10:44**

State tax assessment, **10:39, 10:40**

Survival of federal tax lien, **10:47**

Tax fraud, **10:28**

Tax shelters, **10:35**

Tolling of 240 day period, **10:43**

Transcripts, **10:42**

Willfulness, **10:29, 10:31**

#### **FRAUDULENT TRANSFERS**

Reduction in homestead exemption for certain fraudulent transfers, **9:31**

Reverse fraudulent transfers, **9:3**

#### **FREEDOM OF INFORMATION AND PRIVACY ACTS**

Generally, **2:27 to 2:53**

Appeals, **2:47**

Attorney in fact, disclosure to, **2:43**

Confidential business information exemption, **2:33**

Court's review of materials, **2:52**

Criminal exclusions, **2:36**

Defense of FOIA and Privacy Act cases, **2:51**

Exemptions from disclosure under FOIA

generally, **2:30**

confidential business information, **2:33**

information exempt under laws other than FOIA, **2:32**

internal communications, **2:34**

internal personnel rules and practices, **2:31**

investigatory files, **2:35**

special criminal exclusions, **2:36**

Fee schedule, **App. 2B**

Freedom of Information Act, generally, **2:29**

#### **FREEDOM OF INFORMATION AND PRIVACY ACTS—Cont'd**

Haskell Amendment exception, **2:40**

Intelligence agencies, disclosure to, **2:44**

Internal communications exemption, **2:34**

Internal personnel rules and practices exemption, **2:31**

Internal Revenue Code § 6103, disclosure of return information, **2:38**

Investigatory files exemption, **2:35**

IRC 6103 procedures, **2:49**

IRC 6110 procedures, **2:50**

Law enforcement officials, disclosure to, **2:44**

Litigation, **2:48**

Privacy Act, generally, **2:37**

Procedures to obtain disclosure

appeal, **2:47**

case law, **2:53**

defense of FOIA and Privacy Act cases, **2:51**

Freedom of Information Act procedures, **2:46**

IRC 6103 procedures, **2:49**

IRC 6110 procedures, **2:50**

litigation, **2:48**

review of materials by court, **2:52**

Return disclosure, **2:41**

Return information, **2:39, 2:42**

Section 6110, disclosure and access to IRS documents, **2:45**

Statutory exemptions other than FOIA, **2:32**

Taxpayer delinquency account, **2:28**

Taxpayer rights, **5:60**

#### **FTD PAYMENTS**

Designation of, ongoing business, bankruptcy for, **1:54**

#### **FURNITURE**

Offers in compromise, **6:56**

### **G**

#### **GROSS INCOME**

Taxation of bankruptcy estates, **14:20**

### **H**

#### **HEALTH CONSIDERATIONS**

Prebankruptcy planning, **9:10**

#### **HOMESTEAD**

Liens, **4:39**

Prebankruptcy planning, exemptions. See index heading **EXEMPTIONS**

Taxation of bankruptcy estates, **14:54**

#### **HOTLINE**

Power of attorney, practitioner priority hotline, **1:125**

## HOUSING EXPENSES

Collection information statements, **App. 5K**

## I

## IDENTIFICATION NUMBER

Taxation of bankruptcy estates, **14:11**

## IDRS

See index heading INTEGRATED DATA RETRIEVAL SYSTEM (IDRS)

## IMF

Information retrieval from IRS. See index heading INFORMATION RETRIEVAL FROM IRS

## INCOME

Determination for offers in compromise  
generally, **6:67 to 6:77**  
for detailed treatment see index heading OFFERS  
IN COMPROMISE

Levy and seizure, **4:79, 4:81**

## INCOME TAXES

Discharge of taxes and penalties  
generally, **10:3 to 10:25**  
for detailed treatment see index heading DIS-  
CHARGE OF TAXES AND PENALTIES

## INDEPENDENT CONTRACTORS

Levy and seizure, **4:82**  
Status of workers in bankruptcy for ongoing busi-  
ness, **11:43**

## INDIVIDUAL BANKRUPTCY ESTATES, TAXATION OF

Generally, **14:1 to 14:40**  
Abandonment of asset, **14:52**  
Bankruptcy court jurisdiction, **14:40**  
Bankruptcy Tax Act of 1980, **14:2, App. 14C**  
Carryovers. See index heading CARRYOVERS  
Change in accounting period, **14:31**  
Chapter 13 exclusion, **14:4**  
Computation of tax on debtor  
generally, **14:34 to 14:40**  
carryover of attributes, **14:37**  
deductions, **14:36**  
income, **14:35**  
jurisdiction of Bankruptcy Court, **14:40**  
loss carrybacks, **14:39**  
property, **14:38**  
Computation of tax on estate  
generally, **14:34 to 14:40**  
bankruptcy court jurisdiction, **14:40**  
carryover of attributes, **14:37**  
carryovers, **14:23, 14:28, 14:29**  
change in accounting period, **14:31**  
deductions, **14:24, 14:36**  
earned income credits, **14:26**

## INDIVIDUAL BANKRUPTCY ESTATES, TAXATION OF—Cont'd

Computation of tax on estate—Cont'd  
expenses, **14:27**  
gross income, **14:20**  
income of debtor, **14:35**  
income/losses attributable to pass-through enti-  
ties, **14:25**  
loss carrybacks, **14:39**  
net operating loss (NOL) carryovers, **14:29, 14:30**  
passive activity losses, carryover of, **14:22, 14:23**  
property, **14:38**  
tax attributes, **14:21**  
tax liability of estate, **14:32**  
tax rate schedule, **14:33**  
Consequences of sale, **14:51**  
Creation of new entity, **14:3**  
Deductions, **14:24, 14:36**  
Dismissal of petition, **14:6**  
Earned income credits, **14:26**  
Estate tax year, **14:13**  
Expenses, **14:27**  
Filing tax returns  
generally, **14:7 to 14:19**  
estate tax year, **14:13**  
example, **14:9**  
Form 1040, **14:8**  
Form 1041, **14:7**  
identification number, **14:11**  
individual tax year, **14:14**  
inspection of return, **14:10**  
irrevocable election, **14:16**  
refunds, **14:18**  
short taxable year, **14:15**  
significance of election, **14:17**  
spousal election, **14:19**  
trustee liability, **14:12**  
Form 1040, **14:8, App. 14B**  
Form 1041, **14:7**  
Gross income, **14:20**  
Homestead exemption, **14:54**  
Identification number, **14:11**  
Income of debtor, **14:35**  
Income/losses attributable to pass-through enti-  
ties, **14:25**  
Individual income tax return (Form 1040), **App. 14B**  
Individual tax year, **14:14**  
Inspection of return, **14:10**  
Irrevocable election, **14:16**  
Jurisdiction of Bankruptcy Court, **14:40**  
Loss carrybacks, **14:39**  
Net operating loss (NOL) carryovers, **14:29, 14:30**

**INDIVIDUAL BANKRUPTCY ESTATES,  
TAXATION OF—Cont'd**

Notice concerning fiduciary relationship (Form 56), **App. 14D**  
 Passive activity losses, carryover of, **14:22, 14:23**  
 Property, **14:38**  
 Publication 908, **App. 14A**  
 Refunds, **14:18**  
 Sale of residence, **14:53**  
 Sales of assets by bankruptcy estate, **14:50**  
 Sales to/from estate to debtor, **14:49**  
 Short taxable year, **14:15**  
 Significance of election, **14:17**  
 Spousal election, **14:19**  
 Tax attributes, **14:21**  
 Tax liability of estate, **14:32**  
 Tax rate schedule, **14:33**  
 Trustee liability, **14:12**

**INDIVIDUAL RETIREMENT ACCOUNTS  
(IRAS)**

Generally, **9:40**

**INFORMATION RETRIEVAL FROM IRS**

Generally, **2:1 to 2:53**  
 Appeals, **2:47, App. 2J**  
 Automatic data processing (ADP), **2:4 to 2:7, App. 2D**  
 BMF accounts register, **2:10**  
 Check endorsement, **2:24**  
 Circular 230 practitioner E-services transcript delivery system access, **App. 2Q**  
 Computer system of IRS, **2:2, 2:3**  
 Court review of materials, **2:52**  
 Defense of FOIA and Privacy Act cases, **2:51**  
 Description of document locator number (DLN), **App. 2C**  
 Document locator number in IDRS, **2:18**  
 Encoder number in IDRS, **2:25**  
 Form 1040 and civil penalty (TFRP), **App. 2A**  
 Form 4506-T, **App. 2P**  
 Freedom of Information Act  
     generally, **2:27 to 2:53**  
     for detailed treatment see index heading  
         FREEDOM OF INFORMATION AND PRIVACY ACTS  
 Identification number, ADP, **2:5**  
 IMF accounts register, **2:9**  
 IRC 6103 procedures, **2:49**  
 IRC 6110 procedures, **2:50**  
 Letter from disclosure office denying access to documents, **App. 2J**  
 List of IRS disclosure office addresses, **App. 2I**  
 Litigation, **2:48**  
 Local offices, availability of integrated data retrieval system (IDRS) at, **2:16**  
 Master files  
     generally, **2:7, App. 2E**

**INFORMATION RETRIEVAL FROM IRS  
—Cont'd**

Master files—Cont'd  
     IMF accounts register, **2:9**  
 Model form for Freedom of Information Act request, **App. 2H**  
 Privacy Act  
     generally, **2:27 to 2:53**  
     for detailed treatment see index heading  
         FREEDOM OF INFORMATION AND PRIVACY ACTS  
 Procedures to obtain disclosure  
     generally, **2:47 to 2:53**  
     appeal, **2:47**  
     case law, **2:53**  
     defense of FOIA and Privacy Act cases, **2:51**  
     determination, **2:47**  
     IRC 6103 procedures, **2:49**  
     IRC 6110 procedures, **2:50**  
     litigation, **2:48**  
     Privacy Act, **2:49**  
     review of materials by court, **2:52**  
 Records control schedule, **App. 2N**  
 Requests for information under IRC § 6110, **App. 2K**  
 Returns, **2:23**  
 SCRIPS, **2:3**  
 Sequence number, IDRS, **2:26**  
 State filing authority phone numbers, **App. 2L**  
 State transcripts, **2:14**  
 Status codes, IDRS, **2:21**  
 Submission processing center  
     generally, **2:8 to 2:14**  
     for detailed treatment see index heading  
         SUBMISSION PROCESSING CENTER  
 Table of contents, IRS table of contents for information, **App. 2O**  
 Tax account codes, IDRS, **2:20**  
 Tax return, request for (Form 4506), **App. 2F**  
 Taxpayer delinquent account (Form 4907), **App. 2G**  
 Transaction codes, **2:19, App. 2D**  
 Transcripts. See index heading **TRANSCRIPTS**  
 Workflow pipeline, **App. 2M**

**INHERITANCES**

Liens, **4:47**

**INJUNCTION**

IRS violation of discharge injunction, **10:93**

**INNOCENT SPOUSE RELIEF**

Generally, **3:78 et seq.**  
 Actual knowledge, **3:91**  
 Allocation of deficiency, **3:93, 3:94**  
 Burden of proof, **3:81**  
 Discharge of taxes and penalties, **10:32**  
 Divorced and separated taxpayers, **3:88 to 3:91**



## **INNOCENT SPOUSE RELIEF—Cont'd**

- Erroneous items of spouse, **3:83**
- Inequitable to hold liable, **3:86**
- Internal Revenue Manual (IRM), **18:53**
- Knowledge, **3:84, 3:85**
- Offers in compromise, **6:38**
- Proportionate relief, **3:87**
- Request for (Form 8857), **App. 3Q**
- Time deadline, **3:95**
- Transfers of property and fraudulent transfers, **3:92**

## **INSOLVENCY FUNCTION**

- Internal Revenue Service organization, **1:44**

## **INSPECTION OF RETURN**

- Individual bankruptcy estates, taxation of, **14:10**

## **INSTALLMENT AGREEMENTS**

- Generally, **5:5 to 5:14**
- Administrative review of rejected request, **5:30**
- Annual statement, **5:10**
- Appeal or review, **5:11, 5:14**
- Authority to entertain, **5:15**
- Automated collection system (ACS), **3:36 to 3:38**
- Automatic stay, **8:10, 8:11**
- BMF agreements, two-year and five-year, **5:26**
- Business taxpayers, **5:24, 5:25, 5:51**
- Collection of taxes, small dollar amounts, **3:36**
- Discharge of taxes and penalties, **App. 10K**
- Enforcement action suspended, **5:27**
- Extensions of time to pay, **5:20**
- Guaranteed installment agreements, **3:38, 5:8, 5:18**
- In-business trust fund express agreement, **5:19**
- Levy and seizure, **4:109**
- Limited exceptions, **5:6**
- Managerial review, **5:29**
- Modification, **5:31**
- Monitoring of, **5:28**
- Multifunctional agreements, **5:13**
- Negotiated installment agreements, **5:21 to 5:31**
- Nonbusiness (IMF) taxpayers, **5:23**
- Payment on filing, **5:5**
- Reduction of failure to pay tax penalty, **5:9**
- Request (Form 9465), **App. 3O, App. 5C**
- Streamlined agreements, **5:17**
- Termination, **5:31**
- Types, **5:16**
- User fees, **5:12**

## **INSURANCE POLICIES**

- Levy and seizure, **4:84**

## **INTANGIBLE PROPERTY**

- Liens, **4:46**

## **INTEGRATED DATA RETRIEVAL SYSTEM (IDRS)**

- Generally, **2:15 to 2:26**
- Availability at local offices, **2:16**
- Check endorsement, **2:24**
- Data available through, **2:17**
- Document locator number, **2:18**
- Encoder number, **2:25**
- Returns, securing, **2:23**
- Securing IDRS transcripts, **2:22**
- Sequence number, **2:26**
- Status codes, **2:21**
- Tax account codes, **2:20**
- Transaction codes, **2:19**

## **INTEREST**

- Generally, **13:1 to 13:48**
- Abatement
  - generally, **5:78 to 5:103**
  - for detailed treatment see index heading ABATEMENT OF PENALTIES AND INTEREST
- Accrual of interest, **13:5, 13:25**
- Accrual of overpayment, **13:14**
- Assessed interest, **13:25**
- Bankruptcy Court jurisdiction, **13:23**
- Case law, **13:40**
- Chapter 11 reorganizations, **13:45**
- Chapter 12, **13:42**
- Chapter 13 plan interest, **13:41**
- Claim for refund and request for abatement (Form 843), **App. 13C**
- Compounded interest, **13:3**
- Deductibility, **13:8**
- Deposits vs payments, **13:6**
- Discharge of
  - generally, **10:68 to 10:79**
  - for detailed treatment see index heading DISCHARGE OF TAXES AND PENALTIES, **10:68 to 10:79**
- Estimated tax payments and withholding credits, **13:15**
- Gap period interest on secured tax claim, **13:33**
- Government proof of claim, **13:26**
- Jurisdiction, **13:22, 13:23**
- Managerial acts, **13:21**
- Military taxpayers, **13:19**
- Net operating losses (NOLS) and credit carryforwards, **16:75**
- Nondischargeable claims, **13:44**
- Notice of computation, **13:12**
- Offers in compromise, **6:92**
- Overpayments, **13:13 to 13:18**
- Oversecured claim, **13:35, 13:36**
- Overview, **1:10**
- Partial payment allocations, **13:7**
- Penalties, interest on, **13:11**

## INTEREST—Cont'd

- Period for interest on underpayments, **13:4**
- Postpetition interest, **13:28 to 13:32, 13:38, 13:43**
- Prepetition interest, **13:27**
- Rate of, **13:2, 13:34**
- Restricted interest, **13:17**
- Revenue Ruling 2013-25, **App. 13A**
- Secured by perfected tax lien, **13:32**
- Stipulation agreement, **13:47**
- Tax, interest as, **13:10**
- Tax Court jurisdiction, **13:22**
- Taxpayer statement regarding refund (Form 3911), **App. 13B**
- Trust fund recovery penalty, **11:71**
- Underpayments offset by overpayments, **13:16**
- Undersecured claims, **13:48**
- Unsecured claims, **13:37, 13:39**
- Value of claim, **13:46**
- Waiver of, **13:9**

## INTERNAL REVENUE MANUAL (IRM)

- Generally, **1:63 to 1:74, 18:1 to 18:62**
- Abatement of accounts, **18:51**
- Administration expenses, **18:36**
- Amended claims, **18:34**
- Amendments, part 5.9 (2017-2021), **App. 18C**
- Asset/no asset determination, **18:13**
- Associate area counsel, **18:6**
- Automatic stay, **18:14, 18:15**
- Bankruptcy processing
  - generally, **18:19 to 18:29**
  - actions on unfiled returns, **18:28**
  - bankruptcy estate taxes, **18:22**
  - Chapter 7 cases, **18:20**
  - claims bar date, **18:23**
  - collection from exempt property, **18:27**
  - discharge, **18:26**
  - distribution, **18:25**
  - proof of claim, **18:24**
  - significant bankruptcy case processing procedures, **18:29**
  - trust fund recovery penalty, **18:21**
- Case closing, **18:46 to 18:49**
- Chapter 7 cases, **18:20**
- Chapter 11 special processing, **18:55 to 18:57**
- Child support collection, **18:42**
- Claims bar date, **18:23**
- Closing codes, **18:18**
- Collection of taxes, **18:41, 18:42, 18:45**
- Commencement of proceedings
  - generally, **18:11 to 18:17**
  - asset/no asset determination, **18:13**
  - automatic stay, **18:14, 18:15**
  - community property, **18:15**
  - insolvency, **18:11**

## INTERNAL REVENUE MANUAL (IRM)

### —Cont'd

- Commencement of proceedings—Cont'd
  - notification of bankruptcy proceeding, **18:12**
  - pension plans, **18:17**
  - prepetition levy proceeds, **18:16**
- Community property, **18:15**
- Contents, **1:66**
- Corporate accounts, **18:54**
- Department of Justice's tax division, **18:7**
- Discharge of taxes and penalties, **10:85, 18:26**
- Disposition of accounts
  - generally, **18:50 to 18:54**
  - abatement, **18:51**
  - corporate accounts, **18:54**
  - federal tax lien, **18:52**
  - one spouse liable only, discharge and abatement where, **18:53**
  - unpaid accounts, **18:50**
- Distribution, **18:25**
- Exempt property, **18:27**
- Exhibits, **1:69**
- Failure to follow, **1:72**
- Federal tax lien, **18:52**
- Fiduciary returns, **18:38 to 18:40**
- Filing proof of claim, **18:30**
- Format, **1:65**
- Guidebook for IRS personnel, **1:64**
- Handbooks, **1:70**
- Insolvency, **18:5, 18:11**
- Locating topics, **1:71**
- Monitoring reorganizations, **18:56**
- National Research Program (NRP) overview, **App. 1F**
- Notification of bankruptcy proceeding, **18:12**
- Numbering system, **1:67**
- Offers in compromise, **18:62**
- Ongoing business, bankruptcy for, **11:55, 11:66**
- Origination of bankruptcy case, **18:9**
- Overview, **1:15**
- Payments from bankruptcy proceedings, **18:61**
- Pension plans, **18:17**
- Precedent, **1:73**
- Prepetition levy proceeds, **18:16**
- Proof of claim
  - generally, **18:24, 18:30 to 18:35**
  - for detailed treatment, see index heading PROOF OF CLAIM
- Refunds and credits, **18:43, 18:44**
- Reorganizations, **18:55 to 18:57**
- Researching tax law, **App. 1E**
- Revenue officers, **18:4, 18:10**
- Setoff, **18:44**
- Setting aside action, **1:74**
- Significant changes to IRM 5.9, **App. 18B**

## INTERNAL REVENUE MANUAL (IRM)

### —Cont'd

- Special processing of Chapter 13 cases, **18:58, 18:59**
- Spouse, discharge and abatement where only one liable, **18:53**
- Summons, **12:29**
- Supplements (former), **1:68**
- Taxpayer rights, **5:59**
- TC 520 and closing codes, **18:18**
- Time of filing proof of claim, **18:32**
- Trust fund recovery penalty, **18:21**
- Unassessed claims, **18:33**
- Unfiled returns, **18:28**
- Unpaid accounts, **18:50**
- U.S. Attorney, **18:8**

## INTERNAL REVENUE SERVICE

### ORGANIZATION

- Agency-wide service organizations, **1:33**
- Appeals
  - clarification of appeals office policies, **App. 1BB**
  - FAQs, office of appeals FAQ, **App. 1CC**
  - IRS Independent Office of Appeals, background and organization, **1:40**
  - organization chart, **App. 1V**
  - procedure, income tax appeal procedure, **App. 1D**
- Areas, **1:32**
- Bulletin index-digest system, **1:105**
- Campuses, **1:27**
- Charts, organizational, **App. 1A, App. 1V, App. 1AA**
- Chief counsel, **1:45, App. 1W, App. 1X, App. 1Y**
- Civil service, **1:55**
- Commissioner of Internal Revenue, **1:24**
- Comparison of statements of IRS position and practice, **App. 1G**
- Compliance
  - generally, **1:30**
  - filing and paying compliance (collection), **1:39**
  - reporting compliance (examination), **1:38**
- Criminal investigation division (CID), **1:41**
- Employees
  - generally, **1:20**
  - civil service, **1:55**
  - revenue agents, **1:57**
  - revenue officers, **1:61**
  - revenue representatives, **1:62**
  - special agents, **1:59**
  - tax auditors, **1:58**
  - tax law specialists, **1:60**
  - taxpayer service representatives, **1:56**
- Functions, **1:17**

## INTERNAL REVENUE SERVICE

### ORGANIZATION—Cont'd

- History, **1:22**
- Income tax appeal procedure, **App. 1D**
- Insolvency function, **1:44**
- Insolvency sites, **1:26**
- IRS Restructuring and Reform Act of 1998, **1:23**
- Large Business and International Division (LB&I), **1:36, App. 1R**
- Local Taxpayer Advocate, **App. 1C**
- Mission, **1:18**
- Operating divisions, generally, **1:31, 1:34 to 1:37**
- Oversight board, **1:25**
- Overview of organization, **1:21**
- Personnel summary, **App. 1B**
- Practice before IRS and power of attorney, **App. 1H**
- Professional responsibility, office of, **App. 1T**
- Return preparer office, **App. 1U**
- Revenue agents, **1:57**
- Revenue officers. See index heading REVENUE OFFICERS
- Revenue representatives, **1:62**
- Small business/self-employed (SB/SE) division, **1:35, App. 1Q**
- Special agents, **1:59**
- Statistics, **1:19**
- Submission processing center. See index heading SUBMISSION PROCESSING CENTER
- Submission processing centers, **1:28**
- Tax auditors, **1:58**
- Tax exempt and government entities (TE & GE) division, **1:37, App. 1S**
- Tax law specialists, **1:60**
- Taxpayer Advocate Service (TAS), **1:42, 1:43**
- Taxpayer advocates. See index heading TAXPAYER ADVOCATES
- Taxpayer assistance orders. See index heading TAXPAYER ASSISTANCE ORDERS (TAO)
- Taxpayer service representatives, **1:56**
- Territories, **1:32**
- U.S. Attorney General's office, See index heading U.S. ATTORNEY GENERAL'S OFFICE
- Wage and investment (W & I) division, **1:34, App. 1P, App. 1AA**

## INTERVIEWS

- Taxpayer rights, **5:64**

## INVENTORY

- Offers in compromise, **6:59**

## INVESTIGATIONS

- Offers in compromise, **6:31, 6:47**

## IRC 108

- Cancellation of indebtedness and bad debts generally, **15:7 to 15:12**

**IRC 108—Cont'd**

Cancellation of indebtedness and bad debts  
—Cont'd  
for detailed treatment, see index heading  
CANCELLATION OF INDEBTEDNESS AND BAD  
DEBTS

**IRC 382**

Net operating losses (NOLS) and credit carryforwards  
generally, **16:23 to 16:47**  
for detailed treatment, see index heading NET  
OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS

**IRC 6103 PROCEDURES**

Information retrieval from IRS, **2:49**

**IRC 6110 PROCEDURES**

Information retrieval from IRS, **2:50**

**IRREVOCABLE TRUSTS**

Alternatives to bankruptcy, **5:111**

**IRS RESTRUCTURING AND REFORM ACT OF 1998**

Generally, **1:23**

**J**

**JEOPARDY LEVIES**

Levy and seizure, **3:25, 4:12, 4:26**

**JOINT TENANCY**

Liens, **4:41**

**JUDGES**

Bankruptcy, **7:19**

**JUDICIAL REVIEW**

Generally, **7:28 to 7:37**  
For detailed treatment, see index heading APPEALS

**JURISDICTION**

Abstention, **7:18**  
Arkinson case, **7:17**  
Bankruptcy court  
generally, **7:13 to 7:24**  
abstention, **7:18**  
evolution of jurisdiction, **7:13**  
gap period, **7:15**  
interest, **13:23**  
judges, **7:19**  
jury trials, **7:26**  
pre-Marathon, **7:14**  
taxation of bankruptcy estates, **14:40**  
Core and noncore proceedings, **7:20 et seq**  
Interest, **13:22, 13:23**  
Judges, bankruptcy, **7:19**  
Jury trials, **7:26**  
Offers in compromise, **6:84 to 6:86**

**JURISDICTION—Cont'd**

Pre-Marathon, **7:14**  
Stern case, **7:16**  
Tax Court. See index heading TAX COURT  
Taxation of bankruptcy estates, **14:40**

**JURY TRIALS**

Bankruptcy law, **7:26**  
Jurisdiction, **7:26**

**L**

**LARGE BUSINESS AND INTERNATIONAL OPERATING DIVISION (LB&I)**

Generally, **1:36, App. 1R**

**LETTER RULINGS**

Legal effect, **1:97 to 1:100**  
Retroactive revocation, **1:100**

**LEVY AND SEIZURE**

Generally, **3:41, 4:73 to 4:111**  
Accounts receivable, **4:90**  
Annuity payments, **4:95**  
Appeals, **4:21, 4:22 to 4:27**  
Automatic stay, effect of, **4:76**  
Bank accounts, **4:85, 4:87**  
Case scenarios, **App. 4U**  
Cash, **4:89**  
Certificate of sale of seized property (Form 2435), **App. 4M**  
Civil service retirement, **4:92**  
Collection due process (CDP) hearing  
generally, **4:10**  
conduct of, **4:16**  
equivalent hearing for collection actions, **4:19**  
judicial review of, **4:17**  
matters considered, **4:14**  
notice requirements, **4:11**  
right to, **4:13**  
Collection due process procedures, generally, **4:1et seq.**  
Continuous levy, **4:83**  
Due process. Collection due process (CDP) hearings, above  
Exemptions, **4:23, 4:78, 4:79**  
Exigent circumstances, **4:103**  
Federal Payment Levy Program (FPLP), **4:93**  
Form 668-A notice, **App. 4E**  
Form 668-B, **App. 4F**  
Hearings. Collection due process (CDP) hearing, above  
Income, **4:79, 4:81, App. 4G**  
Independent contractors, **4:82**  
Installment agreements, effect of, **4:109**  
Insurance policies, **4:84**  
Jeopardy levies, **3:25, 4:12, 4:26**

## LEVY AND SEIZURE—Cont'd

- Judicial review, **4:21**
- Landlord agreement reference, **App. 4DD**
- Military annuities, **4:94**
- Military retirement, **4:92**
- Minimum bid price, **4:106**
- Minimum bid worksheet (Form 4585), **App. 4J**
- Negotiable instruments, **4:89**
- No equity seizure, **4:108**
- Notice
  - generally, **3:21, 3:73, 4:75**
  - determination, notice of, and cover letter, **App. 4CC**
  - Form 668-A, **App. 4E**
  - income, levy on (Form 668-W(c)(DO)), **App. 4G**
  - intent to levy and right to hearing, **App. 4Q**
  - jeopardy levies, **4:12**
  - public auction sale (Form 2434), **App. 4L**
  - salary, levy on (Form 668-W(c)(DO)), **App. 4G**
  - sealed bid sale (Form 2434-A), **App. 4K**
  - seizure (Form 2433), **App. 4I**
  - state tax refund levies, **4:12**
  - wages, levy on (Form 668-W(c)(DO)), **App. 4G**
- Ongoing business, recovery of property seized, **11:17**
- Pending offers, effect of, **4:109**
- Pension plans, **4:96, 4:97**
- Post-bankruptcy collection activity, **4:112**
- Pre-seizure checklist, **App. 4T**
- Private property, **4:102**
- Prohibitions, **4:111**
- Property appraisal and liquidation specialists (PALS), **4:104**
- Property subject to levy, **4:77 to 4:98**
- Public auction sale notice (Form 2434), **App. 4L**
- Railroad benefits, **4:94**
- Refund proceedings, levy prohibited during pendency of, **4:25**
- Reimbursement for bank charges, **4:88**
- Release of levy, **4:24, 4:99, 5:77**
- Residences, **4:80**
- Retirement income, **4:91**
- Returning levied property to taxpayer, **App. 4R**
- Right to hearing, **App. 4Q, App. 4AA**
- Salary, **4:79, 4:81, App. 4G**
- Sales procedures, **4:105**
- Sealed bid sale (Form 2434-A), **App. 4K**
- Section 6330 collection due process (CDP) hearing. Collection due process (CDP) hearing, above
- Seizure
  - generally, **4:101 to 4:111**
  - “can’t pay” factors, **4:110**

## LEVY AND SEIZURE—Cont'd

- Seizure—Cont'd
  - exigent circumstances, **4:103**
  - important points, **4:107**
  - installment agreements, effect of, **4:109**
  - minimum bid price, **4:106**
  - no equity seizure, **4:108**
  - notice of (Form 2433), **App. 4I**
  - pending offers, **4:109**
  - private property, **4:102**
  - prohibitions, **4:111**
  - property appraisal and liquidation specialists (PALS), **4:104**
  - sales procedures, **4:105**
  - “will pay” and “won’t pay” factors, **4:110**
- Social security, **4:83, 4:92**
- State tax refund levies, **3:25, 4:12**
- Surrender of property, **4:100**
- Suspension of collection statutes, **4:20**
- Thrift savings plans, **4:98**
- Totten trusts, **4:86**
- Types of levy, **4:74**
- Wages, **4:79, 4:81, App. 4G**

## LIENS

- Generally, **3:35, 4:1 to 4:112**
- Alternatives to bankruptcy, **5:75**
- Appeals, **4:7**
- Avoidances, prebankruptcy planning for, **9:43 to 9:45**
- Bank accounts, **4:43**
- Bankruptcy estate, assets excluded and exempt from, **4:51**
- Business type trusts, **4:45**
- Case scenarios, **App. 4U**
- Cash, **4:48**
- Collection due process (CDP) hearing, **4:5 to 4:8**
- Collection due process procedures, generally, **4:1et seq.**
- Commercial transactions financing agreements — IRC 6323(c)(2), **4:64**
- Community property interests, **4:38**
- Creation, **4:29**
- Defects, **4:31, 4:32**
- Doctrine of marshaling, **4:52**
- Duration of general or assessment tax lien, **4:33, 4:34**
- Exemption table, **App. 4N**
- Extensions of statute of limitations, **4:34**
- Filing notice guidelines, **App. 4O**
- Final demand for payment (Form 668-C), **App. 4H**
- General assessment tax lien, **4:28**
- Hearings, collection due process (CDP), **4:5 to 4:8**
- Homestead property, **4:39**



## LIENS—Cont'd

- Income exemptions, **App. 4N**
- Inherited property, **4:47**
- Intangible property, **4:46**
- Internal Revenue Manual (IRM), **18:52**
- IRC 6323(b) superpriorities, **App. 4B**
- IRS Independent Office of Appeals, **4:9**
- IRS personnel, lien filing by, **4:57**
- Joint tenancy, **4:41**
- Judicial review, **4:7, 4:21**
- Letter 3172 — notice of federal tax lien filing, **App. 4AA**
- Levy and seizure
  - generally, **4:73 to 4:112**
  - for detailed treatment see index heading **LEVY AND SEIZURE**
- National Taxpayer Advocate Memorandum to TAS, **App. 4Y, App. 4Z**
- National Taxpayer Advocate's report to Congress, **App. 4W**
- Notice
  - generally, **3:72**
  - after filing federal tax lien, **4:3**
  - defects, **4:31**
  - federal tax lien, **4:30**
  - filing notice guidelines, **App. 4O**
  - Form 668(Y)(c), **App. 4A**
  - priorities, **4:56, 4:58**
  - requirements, **4:4**
- Obligatory disbursement agreements, **4:66, 4:67**
- Offer completion letter and release of federal tax lien, **App. 6S**
- Pension plans, **4:50**
- Post-bankruptcy collection activity, **4:112**
- Prebankruptcy planning to avoid, **9:43 to 9:45**
- Pre-seizure checklist, **App. 4T**
- Priorities
  - 45-day period for making disbursements — IRC 6323(d), **4:67**
  - generally, **4:53 to 4:69**
  - changes in, **4:27**
  - commercial transactions financing agreements — IRC 6323(c)(2), **4:64**
  - IRS personnel, lien filing by, **4:57**
  - notice failure, **4:56**
  - notice of FTL, effect of, **4:58**
  - obligatory disbursement agreements, **4:66, 4:67**
  - other lien priorities, **4:68**
  - place for filing, **4:55**
  - protection for certain interests even though notice of lien filed — IRC 6323(b), **4:60**
  - real property construction or improvement financing agreements — IRC 6323(c)(3), **4:65**
  - state tax liens, **4:69**

## LIENS—Cont'd

- Priorities—Cont'd
  - superpriorities, **4:61, 4:62**
  - super-superpriorities — IRC 6323(c), **4:63**
  - valid federal tax lien examples, **4:54**
  - wording of federal tax lien, **4:59**
- Property of taxpayer, **4:36 to 4:52**
- Protection for certain commercial transactions financing agreements, etc., **App. 4C**
- Questions and answers to assist in property seizures, **App. 4D**
- Real property construction or improvement financing agreements — IRC 6323(c)(3), **4:65**
- Reimbursement for bank charges (Form 8546), **App. 4S**
- Release of federal tax lien, **4:70, App. 6T**
- Request for collection due process hearing (Form 12153), **App. 4P**
- Salary exemptions, **App. 4N**
- Scope of tax lien, **4:35**
- Section 6320 collection due process (CDP) hearing, **4:5 to 4:8**
- State law, **4:36**
- State tax liens, **4:69**
- Stripping, **10:49 to 10:51**
- Subordination of federal tax lien, **4:72**
- Suits against third parties, **4:49**
- Superpriorities, **4:61, 4:62**
- Super-superpriorities — IRC 6323(c), **4:63**
- Suspension of collection statutes, **4:20**
- Tenancy by entirety, **4:40**
- Tenancy in common, **4:42**
- Terminable interests in real property, **4:37**
- Third parties, suits against, **4:49**
- Trusts, **4:44**
- Valid federal tax lien examples, **4:54**
- Wage exemptions, **App. 4N**
- Withdrawal of federal tax lien, **4:71**
- Wording of federal tax lien, **4:59**

## LIFE INSURANCE

- Offers in compromise, **6:63**

## LIQUIDATED CLAIMS

- Proof of claim, **12:5**

## LIQUIDATION

- See index heading **CHAPTER 7 - LIQUIDATION**

## LOANS

- To pay taxes, discharge of, **10:88**

## LOCAL TAXES

- Collection information statements (CIS), **5:46**

## LOCAL TAXPAYER ADVOCATE

- Generally, **App. 1C**

**LUXURY GOODS AND SERVICES**

Dischargeability of consumer debts for, **9:62**

**M**

**MACHINERY AND EQUIPMENT**

Offers in compromise, **6:59**

**MANAGERIAL ACTS**

Interest, **13:21**

**MASTER FILES**

Information retrieval from IRS. See index heading INFORMATION RETRIEVAL FROM IRS

**MILITARY ANNUITIES**

Levy and seizure, **4:94**

**MILITARY RETIREMENT**

Levy and seizure, **4:92**

**MILITARY TAXPAYERS**

Interest, **13:19**

**MIXED DEBTORS**

Generally, **7:44**

**MODIFICATION OF DEBT**

Generally, **15:11**

**MORTGAGE SHORT SALE**

Generally, **17:10**

**MOTOR VEHICLES**

Offers in compromise, **6:57**

**N**

**NEGLIGENCE**

Ongoing business, bankruptcy for, **11:51**  
Penalty assessment transcript, **App. 10G**

**NEGOTIABLE INSTRUMENTS**

Levy and seizure, **4:89**

**NET OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS**

Generally, **14:29, 16:1 to 16:106**  
Annual limitation, **16:25**  
Antistuffng rule, **16:41**  
Attorneys' fees, **16:104**  
"B" reorganization, **16:87**  
Bankruptcy valuation, **16:80**  
Built-in gains  
generally, **16:49 to 16:55**  
carryover losses, **16:54, 16:55**  
excess credits and net capital losses, **16:53**  
IRC 382, **16:42, 16:46**  
post-1987 acquisitions, **16:52**  
preacquisition loss, **16:51**  
recognized built-in gains, **16:50**  
reorganizations, generally, **16:22**

**NET OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS—Cont'd**

"C" reorganization, **16:88**  
Capital contributions reducing loss, **16:20**  
Capital losses, limitations on, **16:56, 16:57**  
Case law, **16:69 to 16:83**  
Consolidated return regulations, **16:106**  
Continuity requirements  
generally, **16:19**  
case law, **16:82**  
"G" reorganization, **16:99**  
IRC 382, **16:39**  
Corporate acquisitions  
generally, **16:58 to 16:62**  
carryover tax attributes, **16:58**  
exception to IRC 381, **16:59**  
parent corporations, **16:60**  
stock and securities acquired, **16:61**  
use of IRC 381, **16:62**  
"D" reorganization, **16:89**  
Debt discharge, **16:76**  
"E" reorganization, **16:90, 16:91**  
Equity structure shifts, **16:16, 16:34**  
Evasion of income tax, **16:65**  
Examples of ownership change, **16:30**  
"F" reorganization, **16:92**  
"G" reorganization, **16:93, 16:98, 16:99**  
Increase in limitation, **16:45**  
Individuals in bankruptcy  
generally, **16:3 to 16:10**  
carryover of tax attributes, **16:7**  
computation of NOLS, **16:4**  
entities entitled to carrybacks, **16:8**  
prior case law, **16:5**  
reduction of carryover, **16:10**  
separate tax years, **16:6**  
use of NOLS, **16:9**  
Interest paid to creditors, **16:75**  
IRC 382  
generally, **16:23 to 16:47**  
annual limitation, **16:25**  
antistuffng rule, **16:41**  
built-in gains and losses, **16:42, 16:46**  
continuity of business enterprise, **16:39**  
distributions from qualified trusts, **16:32**  
equity structure shifts, **16:34**  
examples of ownership change, **16:30**  
increase in limitation, **16:45**  
long-term tax-exempt rate, **16:26**  
miscellaneous rules for built-in gains and losses, **16:47**  
net unrealized built-in loss, **16:43**  
nonbusiness assets, **16:40**  
options, **16:35 to 16:38**  
ownership changes, **16:29, 16:31**

## NET OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS—Cont'd

IRC 382—Cont'd  
 postchange annual limitation, **16:28**  
 prior law, **16:24**  
 recognized built-in loss, **16:44**  
 safe harbors, additional, **16:48**  
 stock, **16:33**  
 value of loss corporation, **16:27**  
 IRC 382(g)(4)(D), **16:102**  
 IRC 382(l)(5), **16:26**  
 Long-term tax-exempt rate, **16:26**  
 Loss of NOL, **16:103**  
 Merger, **16:86**  
 Miscellaneous rules for built-in gains and losses, **16:47**  
 Net unrealized built-in loss, **16:43**  
 Neutrality principle, **16:13**  
 Nonbusiness assets, **16:21, 16:40**  
 Notice 2003-65, **App. 16A**  
 Options, **16:35 to 16:38**  
 Ownership change  
     availability of NOLS, **16:14, 16:15**  
     IRC 382, **16:29, 16:31**  
     within two years, **16:79**  
 Parent corporations, **16:60**  
 Post-1987 acquisitions, **16:52**  
 Postchange annual limitation, **16:28**  
 Preacquisition loss, **16:51**  
 Prior law, **16:24**  
 Problems with IRC 382(l)(5), **16:74**  
 Qualification for IRC 382(l), **16:71**  
 Recognized built-in gains, **16:50**  
 Recognized built-in loss, **16:44**  
 Reduction of tax attributes, **16:78**  
 Regulations, **16:83**  
 Relaxed requirements in “G” reorganization, **16:98**  
 Reorganizations  
     generally, **16:11, 16:84 to 16:100**  
     availability of NOLS, **16:12 to 16:22**  
     “B” reorganization, **16:87**  
     built-in gains, **16:22**  
     “C” reorganization, **16:88**  
         capital contributions reducing loss, **16:20**  
         carryover of tax attributes, **16:94**  
         continuity of business enterprise, **16:19**  
         continuity of interest in “G” reorganization, **16:99**  
     “D” reorganization, **16:89**  
     definition, **16:85**  
     “E” reorganization, **16:90, 16:91**  
     effect of ownership change, **16:18**  
     equity structure shift, **16:16**  
     “F” reorganization, **16:92**

## NET OPERATING LOSSES (NOLS) AND CREDIT CARRYFORWARDS—Cont'd

Reorganizations—Cont'd  
     “G” reorganization, **16:93, 16:98, 16:99**  
     merger, **16:86**  
     neutrality principle, **16:13**  
     nonbusiness assets, **16:21**  
     owner shift, **16:15**  
     ownership change, **16:14**  
     relaxed requirements in “G” reorganization, **16:98**  
     security holders, taxation of, **16:95**  
     tax treatment, **16:100**  
     three-year testing period, **16:17**  
     triangular reorganizations, **16:96, 16:97**  
 Security holders, taxation of, **16:95**  
 Separate tax years, **16:6**  
 Statutory framework, **16:2**  
 Statutory limitations on exception to debt rules, **16:77**  
 Stock  
     acquisitions, **16:61**  
     IRC 382, **16:33**  
     IRC 382(l)(6) and 382, **16:81**  
     transferred to creditor, **16:72**  
 Summary of IRC 269, 381, 382, 383 and 384, **16:69**  
 Tax attributes as property of bankruptcy estate, **16:105**  
 Tax avoidance  
     generally, **16:63 to 16:68**  
     application of IRC 269, **16:63, 16:64**  
     evasion of income tax, **16:65**  
     inconsistency of rules with congressional intent, **16:68**  
     prevention of carryover and use of NOLS, **16:66**  
     section 269 regulations and acquisitions by creditors, **16:67**  
 Taxation of bankruptcy estates, **14:29, 14:30**  
 Triangular reorganizations, **16:96, 16:97**  
 Value of loss corporation, **16:27**  
 Voluntary use of IRC 382(l)(5), **16:73**  
 Worthless stock, **16:101**

## NONDISCHARGEABLE CLAIMS

Interest, **13:44**

## NONRECOURSE DEBT

Cancellation, **15:13 to 15:16**

## NOTICE

Bankruptcy proceeding, **18:12**  
 Fiduciary relationship (Form 56), **App. 14D**  
 Ongoing business, bankruptcy for, **11:76**  
 Proof of claim, notice received with insufficient time to file a timely proof of claim, **18:31**

**NOTICE—Cont'd**

Taxpayers. See index heading **NOTICE TO TAXPAYERS**

**NOTICE TO TAXPAYERS**

Collection of taxes. See index heading **COLLECTION OF TAXES**

Federal tax lien, transcript indicating, **App. 10F**

First notice — reminder of balance due, **App. 3H**

Interest computation, **13:12**

Levy and seizure, **4:12, 4:75**

Liens. See index heading **LIENS**

Second notice and demand overdue tax — notice 502, **App. 3I**

Statement of change to account, **App. 3G**

TDA notice routine, **App. 3F**

Third notice and demand urgent payment required — notice 503, **App. 3J**

**O**

**OBJECTIONS**

Dischargeability in Chapter 11 - reorganization, **9:67**

Lien extinguishment, **10:48**

Proof of claim, **12:8, 12:9, 12:13**

**OFFERS IN COMPROMISE**

Generally, **6:1 to 6:159**

Acceptance letter, **App. 6H**

Acceptance of offers, **6:123 to 6:127**

Accounts, **6:44**

Accounts and notes receivable, **6:58**

Acknowledgment letter, **App. 6G**

Administrative appeals, **6:120, 6:154**

Airplanes, **6:57**

Alter egos, **6:65**

Amount of offer, **6:90**

Appeal or review

administrative appeals, **6:120, 6:154**

judicial review, **6:122**

pending, **6:40**

proposed rejection, **6:117**

withdrawal or rejection, **6:117, 6:120, 6:122**

Bankruptcy Abuse Prevention and Consumer Protection Act, **6:4**

Bankruptcy cases, **6:133 to 6:135**

Basis for compromise, **6:10**

Best interest of government, **6:9**

Boats, **6:57**

Booklet 656, **App. 6A**

California, **App. 6E, App. 6F**

Cash, **6:19, 6:52**

Child support obligations, **6:46**

Closely held corporations, **6:53**

Code § 7122, **6:5**

Collateral agreements, **6:102 to 6:105, App. 6B**

Combination offers, **6:39**

**OFFERS IN COMPROMISE—Cont'd**

Community property states, **App. 6R**

Completion letter and release of federal tax lien, **App. 6S**

Compliance in-business taxpayers, **6:22**

Components of collectibility, **6:34**

Compromise of compromise, **6:129**

Conditional expenses, **6:72, 6:74**

Considerations in making, **6:13 to 6:16**

Co-obligor agreements, **6:104**

Cover letter, **App. 6L**

Deemed acceptance of offer, **6:126**

Defaults, **6:130, 6:131**

Delaying collection, offers submitted solely for, **6:28, 6:29**

Department of Justice cases, **6:21, 6:86**

Deposits, **6:88**

Discharge of taxes and penalties, **6:101, 10:41, 10:80**

Dishonored payments, return of offer for, **6:113**

Dissipation of assets, **6:66**

Document request, **App. 6G**

Doubt as to collectibility, **6:11**

Economic hardship, **6:141**

Effective tax administration offers

generally, **6:139 to 6:152**

compliance, **6:143**

economic hardship, **6:141**

equity consideration, **6:146, 6:147**

examples, **6:145, 6:148**

factors, **6:142, 6:150, 6:151**

grounds, **6:140**

meaning of undermine compliance with tax laws, **6:149**

processing offers, **6:152**

public policy, **6:146, 6:147**

regulations, **6:144**

tax shelter liabilities as factor, **6:151**

Emergency processing, **6:26**

Equity consideration, **6:146, 6:147**

Evaluation of offers

generally, **6:30 to 6:47, App. 6P**

accounts, **6:44**

appeals pending, **6:40**

child support obligations, **6:46**

combination offers, **6:39**

components of collectibility, **6:34**

compromise of trust fund liabilities operating businesses, **6:41**

corporate trust fund liability offers, **6:42**

excise tax liability, **6:43**

innocent-spouse claims, **6:38**

investigation, **6:31**

negotiating acceptable offer, **6:33**

open examination and TEFRA partners, **6:37**

## OFFERS IN COMPROMISE—Cont'd

- Evaluation of offers—Cont'd
  - return of offers, **6:32**
  - SFR and unfiled returns, **6:45**
  - source of funds, **6:36**
  - special circumstances, **6:35**
  - streamlined investigation, **6:47**
- Excise tax liability, **6:43**
- Expenses allowable, **6:71, 6:72**
- Favorable considerations, **6:15**
- Finality of offer, **6:14**
- Financial investigation by Internal Revenue Service, **6:81 to 6:84**
- Financial statement analysis
  - generally, **6:48 to 6:66, App. 6O**
  - accounts and notes receivable, **6:58**
  - airplanes, **6:57**
  - alter egos, **6:65**
  - boats, **6:57**
  - cash, **6:52**
  - closely held corporations, **6:53**
  - dissipation of assets, **6:66**
  - furniture, fixtures and personal effects, **6:56**
  - income producing assets, **6:51**
  - inventory, **6:59**
  - joint assessments but separate offers, evaluating equity, **6:64**
  - life insurance, **6:63**
  - machinery and equipment, **6:59**
  - motor vehicles, **6:57**
  - net realizable equity, **6:50**
  - pension plans, **6:55**
  - professional practice, **6:62**
  - real estate, **6:60, 6:61**
  - securities, **6:54**
  - transferees, **6:65**
  - verification, **6:49**
- Form 433-A, **App. 6P**
- Form 656, **App. 6M**
- Form 656-L, doubt as to liability, **App. 6K**
- Form 656-PPV, **App. 6U**
- Form 13711, request for appeal, **App. 6J**
- Fraud, practitioner and taxpayer, **6:136 to 6:138**
- FS-2007-16, **App. 6C**
- Furniture, fixtures and personal effects, **6:56**
- Future income
  - generally, **6:69**
  - collateral agreements, **6:70**
- Income determination
  - generally, **6:67 to 6:77**
  - allowable expenses, **6:71, 6:72**
  - conditional expenses, **6:72, 6:74**
  - delinquent state and local taxes, **6:75**
  - future income
    - generally, **6:69**

## OFFERS IN COMPROMISE—Cont'd

- Income determination—Cont'd
  - future income—Cont'd
    - collateral agreements, **6:70**
  - illustration, **6:77**
  - necessary expenses, **6:72**
  - non-business transportation expenses, **6:73**
  - retired debt, **6:67**
  - shared expenses, **6:76**
- Income producing assets, **6:51**
- Innocent-spouse claims, **6:38**
- Interest on compromise amount, **6:92**
- Internal Revenue Manual (IRM), **18:62**
- Inventory, **6:59**
- Investigation, **6:31, 6:47**
- IRS policy, **6:6**
- IRS Restructuring & Reform Act of 1998, **6:2**
- Items for, **6:79**
- Joint assessments but separate offers, evaluating equity, **6:64**
- Joint offers, **6:131**
- Jurisdiction, **6:84 to 6:86**
- Legal opinion on acceptance, **6:124**
- Life insurance, **6:63**
- Machinery and equipment, **6:59**
- Meaning of undermine compliance with tax laws, **6:149**
- Memorandum to offer in compromise, **App. 6Q**
- Monthly net income from business, **App. 6N**
- Motor vehicles, **6:57**
- Necessary expenses, **6:72**
- Negative features, **6:16**
- Negotiating acceptable offer, **6:33**
- Net realizable equity, **6:50**
- Nominee's compromise, **6:98**
- Non-business transportation expenses, **6:73**
- Notice 2006-68, **App. 6I**
- Objectives, **6:7**
- Open examination and TEFRA partners, **6:37**
- Partial payments with offer, **6:89**
- Payment terms, **6:90, 6:91**
- Penalty offers, **6:153 to 6:156**
- Pension plans, **6:55**
- Place to file, **6:80**
- Preparing good offer
  - generally, **6:87 to 6:94**
  - calculation of offer amount and payment terms, **6:90**
  - deferred payments, **6:93, 6:94**
  - deposits, **6:88**
  - interest on compromise amount, **6:92**
  - partial payments with offer, **6:89**
  - payment terms, **6:90, 6:91**
  - place to file, **6:80**



## OFFERS IN COMPROMISE—Cont'd

- Processable offers
  - generally, **6:17 to 6:23**
  - cases in Department of Justice, **6:21**
  - cash only, **6:19**
  - compliance in-business taxpayers, **6:22**
  - defined, **6:17**
  - not processable, **6:18**
  - offer amount-in-business taxpayers, **6:23**
  - user fee, **6:20**
- Processing offers
  - generally, **6:24 to 6:29**
  - delaying collection, offers submitted solely for, **6:28, 6:29**
  - determination of processability, **6:25**
  - effective tax administration offers, **6:152**
  - emergency processing, **6:26**
  - examples of incomplete/unperfected offers, **6:27**
- Professional practice, **6:62**
- Public inspection of offers, **6:97, 6:125**
- Public policy considerations, **6:8, 6:118, 6:146, 6:147**
- Real estate, **6:60, 6:61**
- Reconsideration, **6:114, 6:115**
- Regulations, **6:144**
- Rejection of offer. Withdrawal, rejection, termination, or return of offer, below
- Renegotiation of offers
  - generally, **6:128 to 6:132**
  - compromise of compromise, **6:129**
  - defaults, **6:130, 6:131**
  - joint offers, **6:131**
  - termination. Withdrawal, rejection, termination, or return of offer, below
- Return of deposits to taxpayers, **6:99**
- Return of offer. Withdrawal, rejection, termination, or return of offer, below
- Return of payments, **6:100**
- Review of taxpayer's documentation, **6:83**
- Securities, **6:54**
- SFR and unfiled returns, **6:45**
- Shared expenses, **6:76**
- Small business offer example, **6:159**
- Source of funds, **6:36**
- State tax liabilities
  - generally, **6:157**
  - income taxes, **6:158, App. 6F**
  - State of California, **App. 6F**
- Statistics, **6:96**
- Statutory authority, **6:12**
- Subordination requests, **6:101**
- Tax Court cases, **6:85**
- Tax shelter liabilities, **6:151**
- Taxpayer in bankruptcy, **6:135**

## OFFERS IN COMPROMISE—Cont'd

- Termination of offer. Withdrawal, rejection, termination, or return of offer, below
- Threat of bankruptcy, **6:134**
- Transferees, **6:65**
- 24-month deemed acceptance rule, **6:127**
- 2006 Tax Acts, **6:3**
- User fee, **6:20**
- Verification, **6:49**
- Withdrawal, rejection, termination, or return of offer
  - generally, **6:32, 6:106 to 6:122, 6:132**
  - appeal or review, **6:117, 6:120, 6:122**
  - dishonored payments, return for, **6:113**
  - filing compliance, return for, **6:109**
  - FTD, failure to make timely, **6:111**
  - information, return for failure to provide, **6:112**
  - installments, **6:108**
  - not in best interest of government, **6:119**
  - proposed rejection, review of, **6:117**
  - public policy basis, **6:118**
  - reconsideration, **6:114, 6:115**
  - rejection, generally, **6:116 to 6:121**
  - returns, generally, **6:107 to 6:115**
  - withholding tax payments, inadequate or insufficient, **6:110**

## OFFICE OF REVIEW

- Settlement authority, **7:68**

## ONGOING BUSINESS, BANKRUPTCY FOR

- Generally, **1:8, 11:1 to 11:83**
- Abatement of penalties
  - generally, **11:28 to 11:37**
  - deposit of taxes not made, **11:34**
  - financial difficulties, **11:37**
  - IRS review, **11:33**
  - late filing penalty, **11:31**
  - payment failure, **11:36**
  - reasonable cause, **11:31, 11:32**
  - relief for failure of estate to file returns and pay taxes, **11:29**
  - untimely returns, **11:30**
- Adequate protection, **11:17**
- Administration expense claims, **11:7**
- Agencies other than IRS, setoff by IRS of amounts from, **11:27**
- Automatic stay and collection statute after plan confirmation for non-individuals, status of, **11:13**
- Avoidance of tax liens, **11:24, 11:25**
- Chapter 7, designation of trust fund payments under, **11:63**
- Chapter 13 cases, **11:64, 11:78**
- Corporate officer's taxes, payments of debtor to, **11:70**
- Criminal prosecution, **11:40**

**ONGOING BUSINESS, BANKRUPTCY FOR  
—Cont'd**

Deductibility of payment of trust fund recovery penalty, **11:72**  
 Deposit of taxes not made, **11:34**  
 Discharge, **11:12**  
 Disclosure of collection action, **11:75**  
 Early events in Chapter 11, **11:4**  
 Employee/independent contractor, **11:43**  
 Excise tax liability of trustee, **11:81**  
 Feasibility concerns with Chapter 11 plans, **11:11**  
 Financial difficulties, **11:37**  
 Foreign Account Tax Compliance Act, **11:82**  
 FTD payments, designation of, **11:60**  
 Guidelines for employment tax issues, **App. 11C**  
 Independent contractor status, **11:43**  
 Individuals in Chapter 11, **11:14**  
 Initiating Chapter 11 case, **11:3 et seq.**  
 Interest on trust fund recovery penalty, **11:71**  
 IRM provisions, **11:55, 11:66**  
 Jurisdiction of Tax Court, **11:44**  
 Late filing penalty, **11:31**  
 Liquidating Chapter 11, **11:62**  
 Mandatory small business debtor treatment, **11:5**  
 Negligence, **11:51**  
 Notice and assessment, **11:76**  
 Officers without control, **11:48**  
 Orders, **App. 11A**  
 Piercing corporate veil, **11:42**  
 Plans in Chapter 11, **11:6**  
 Preferential transfers  
     generally, **11:18 to 11:23**  
     defenses, **11:21**  
     elements of, **11:18**  
     greater amount standard, **11:19**  
     IRC 547, **11:20**  
     trust creation, **11:23**  
     trust fund recovery penalty, **11:67**  
     trust fund tax payments, **11:22**  
 Pre-petition reallocation of payments, **11:68**  
 Priority tax claims, treatment of, **11:8 et seq.**  
 Reallocation of payments, **11:68, 11:69**  
 Reasonable cause, **11:31, 11:32**  
 Recovery of property seized, **11:17**  
 Refund setoffs, **11:26**  
 Refunds, designation of, **11:65**  
 Regulations and guidance, **11:83**  
 Responsible person, **11:45**  
 Secured tax claims in Chapter 11, plan treatment of, **11:9**  
 Setoffs, **11:26**  
 Show cause orders, **App. 11A**  
 Statute of limitations for assessment, **11:73**  
 Stipulations, **App. 11A**  
 Subrogation, **11:57**

**ONGOING BUSINESS, BANKRUPTCY FOR  
—Cont'd**

Tax-exempt organizations, **11:49**  
 Trust fund recovery penalty problems  
     generally, **11:38 to 11:79**  
     assessment during bankruptcy, **11:74**  
     challenging penalty in bankruptcy, **11:79**  
     Chapter 7, designation of payments under, **11:63**  
     Chapter 11, designation of payments under, **11:61, 11:62**  
     Chapter 13, designation of payments under, **11:64**  
     computation notice, **11:77**  
     contribution, **11:58**  
     control power, **11:47, 11:48**  
     corporate officer's taxes, payments of debtor to, **11:70**  
     criminal prosecution, **11:40**  
     deductibility of payment of trust fund recovery penalty, **11:72**  
     designation of payments and refunds  
         generally, **11:59 to 11:66**  
         Chapter 7, **11:63**  
         Chapter 11, **11:61k 11:57**  
         Chapter 13, **11:64**  
         IRM provisions, **11:66**  
         liquidating Chapter 11, **11:62**  
         refunds, **11:65**  
     discharge, **11:56**  
     disclosure of collection action, **11:75**  
     employee/independent contractor, **11:43**  
     final word standard, **11:46**  
     FTD payments, **11:60**  
     importance of collection, **11:53**  
     independent contractor status, **11:43**  
     interest on trust fund recovery penalty, **11:71**  
     IRM provisions, **11:55, 11:66**  
     jurisdiction of Tax Court, **11:44**  
     knowledge, **11:52**  
     liquidating Chapter 11, **11:62**  
     negligence, **11:51**  
     notice and assessment, **11:76**  
     officers without control, **11:48**  
     piercing corporate veil, **11:42**  
     preference, **11:67**  
     pre-petition reallocation of payments, **11:68**  
     reallocation of payments, **11:68, 11:69**  
     refunds, designation of, **11:65**  
     responsible person, **11:45**  
     scope of IRC 6672, **11:39**  
     statute of limitations for assessment, **11:73**  
     stopping collection of penalty, **11:54**  
     subrogation, **11:57**  
     tax-exempt organizations, **11:49**

**ONGOING BUSINESS, BANKRUPTCY FOR  
—Cont'd**

- Trust fund recovery penalty problems—Cont'd
  - valid assessment of section 6672 tax liability
    - not prerequisite to subsequent claim in Chapter 13 case, **11:78**
  - willful, **11:50**
- Trust fund tax payments, **11:22**
- United States v Whiting Pools, Inc., **11:16**
- Unsecured tax claims in Chapter 11, plan treatment of, **11:10**
- Untimely returns, **11:30**
- Willful, **11:50**

**OVERPAYMENTS**

- Interest, **13:13 to 13:18**

**OVERSECURED CLAIM**

- Discharge of taxes and penalties, **10:89**
- Interest, **13:35, 13:36**

**OVERSIGHT BOARD**

- Internal Revenue Service organization, **1:25**

**P**

**PARTIAL PAYMENT**

- Interest, **13:7**
- Offers in compromise, **6:89**

**PARTIES IN BANKRUPTCY**

- Generally, **7:40 to 7:55**
- Business debtors, **7:43**
- Chief counsel, **7:54**
- Consumer debtors, **7:42**
- Creditors, **7:45**
- Debtors generally, **7:41**
- Department of Justice, **7:55**
- Equity security holders, **7:50**
- Government, **7:51**
- Mixed debtors, **7:44**
- Order of priorities, **7:49**
- Priority, **7:48**
- Role of insolvency, **7:52, 7:53**
- Secured creditors, **7:47**
- United States Attorney, **7:55**
- Unsecured creditors, **7:46**

**PARTNERSHIP BANKRUPTCY ESTATES,  
TAXATION OF**

- Generally, **14:41 to 14:48**
- Administrative expenses, **14:45**
- Bankruptcy court jurisdiction, **14:40**
- Cancellation of indebtedness and bad debts, **15:39, 15:50, 15:70**
- Carryovers. See index heading CARRYOVERS
- Change in accounting period, **14:31**

**PARTNERSHIP BANKRUPTCY ESTATES,  
TAXATION OF—Cont'd**

- Computation of tax on estate
  - generally, **14:34 to 14:40**
  - bankruptcy court jurisdiction, **14:40**
  - carryover of attributes, **14:37**
  - carryovers, **14:23, 14:28, 14:29**
  - change in accounting period, **14:31**
  - deductions, **14:24, 14:36**
  - earned income credits, **14:26**
  - expenses, **14:27**
  - gross income, **14:20**
  - income of debtor, **14:35**
  - loss carrybacks, **14:39**
  - net operating loss (NOL) carryovers, **14:29, 14:30**
  - passive activity losses, carryover of, **14:22, 14:23**
  - pass-through entities, income/losses attributable to, **14:25**
  - property, **14:38**
  - tax attributes, **14:21**
  - tax liability of estate, **14:32**
  - tax rate schedule, **14:33**
- Consequences of sale, **14:51**
- Debts, **14:43, 14:47**
- Deductions, **14:24, 14:36**
- Discharge of indebtedness, **14:46**
- Earned income credits, **14:26**
- Estate tax year, **14:13**
- Existence for tax purposes, **14:44**
- Expenses, **14:27**
- Filing tax returns
  - generally, **14:7 to 14:19, 14:42**
  - estate tax year, **14:13**
  - example, **14:9**
  - Form 1040, **14:8**
  - Form 1041, **14:7**
  - identification number, **14:11**
  - individual tax year, **14:14**
  - inspection of return, **14:10**
  - irrevocable election, **14:16**
  - refunds, **14:18**
  - short taxable year, **14:15**
  - significance of election, **14:17**
  - spousal election, **14:19**
  - trustee liability, **14:12**
- Form 1040, **14:8**
- Form 1041, **14:7**
- Gross income, **14:20**
- Homestead exemption, **14:54**
- Identification number, **14:11**
- Income of debtor, **14:35**
- Individual tax year, **14:14**
- Inspection of return, **14:10**

**PARTNERSHIP BANKRUPTCY ESTATES,  
TAXATION OF—Cont'd**

Irrevocable election, **14:16**  
 Loss carrybacks, **14:39**  
 Net operating loss (NOL) carryovers, **14:29, 14:30**  
 Passive activity losses, carryover of, **14:22, 14:23**  
 Pass-through entities, income/losses attributable to, **14:25**  
 Property, **14:38**  
 Refunds, **14:18**  
 Sale of residence, **14:53**  
 Sales of assets by bankruptcy estate, **14:50**  
 Sales to/from estate to debtor, **14:49**  
 Short taxable year, **14:15**  
 Significance of election, **14:17**  
 Spousal election, **14:19**  
 Tax attributes, **14:21**  
 Tax liability of estate, **14:32**  
 Tax rate schedule, **14:33**  
 TEFRA, partnerships and, **14:48**  
 Trustee liability, **14:12**

**PASSIVE ACTIVITY LOSSES**

Carryover of, **14:22, 14:23**

**PATTERSON v SHUMATE**

Pension plans, **9:34 to 9:43**

**PENALTIES**

Abatement  
     generally, **5:78 to 5:103**  
     for detailed treatment, see index heading ABATE-  
         MENT OF PENALTIES AND INTEREST  
 Discharge of  
     generally, **10:68 to 10:79**  
     for detailed treatment see index heading DIS-  
         CHARGE OF PENALTIES AND INTEREST  
 Interest on, **13:11**  
 Late filing, ongoing business, bankruptcy for, **11:31**  
 Offers in compromise, **6:153 to 6:156**  
 Overview, **1:10**  
 Reference numbers, **App. 5B**  
 Relief, penalty relief, **App. 5A**

**PENSION AND RETIREMENT PLANS**

Generally, **9:33 to 9:43**  
 Commencement of proceedings, Internal Revenue Manual, **18:17**  
 Discharge of taxes and penalties, **10:52, 10:53**  
 Exempt status, **9:33**  
 401k plans, **9:39**  
 403(b) annuities, **9:41**  
 Fraud and evasion of taxes, **10:52, 10:53**  
 Individual retirement accounts (IRAs), **9:40**  
 IRS policy, **9:35**  
 Levy and seizure, **4:91, 4:96, 4:97**

**PENSION AND RETIREMENT PLANS  
—Cont'd**

Lien avoidance, **9:43**  
 Liens, “property” of taxpayer for purposes of lien, **4:50**  
 Offers in compromise, **6:55**  
 Patterson v Shumate and IRS, **9:34 to 9:43**  
 Prebankruptcy planning, **9:33 to 9:43**  
 Pre-Shumate, **9:36**  
 SEP plans, prebankruptcy planning, **9:38**  
 Unsecured nature of IRS claims, **9:42**

**PIERCING CORPORATE VEIL**

Generally, **11:42**

**POWER OF ATTORNEY**

Generally, **1:109, 1:114 to 1:124, App. 1I**  
 Account-client privilege, **1:123**  
 Automatic revocation of prior power of attorney, **1:118**  
 California Franchise Tax Board, **App. 1N**  
 Central authorization file, **1:117**  
 Copies, **1:120, 1:121**  
 Delegation, **1:119**  
 Fiduciaries, **1:122**  
 IRS requirement, **1:114**  
 Notices to representative, copies of, **1:120**  
 Other than 2848, **1:116**  
 Powers conferred, **1:115**  
 Practice before IRS and power of attorney, **App. 1H**  
 Practitioner priority hotline, **1:125**  
 State authorities, power of attorney for, **1:124**

**PREBANKRUPTCY PLANNING**

Generally, **9:1 to 9:76**  
 Attorneys’ fees, **9:6**  
 Commission income as property of estate, **9:12**  
 Common law property, **9:14**  
 Community property, **9:13**  
 Comparison of homestead exemptions, **App. 9C**  
 Consumption of nonexempt property, **9:8**  
 Conversion of nonexempt property to exempt property on eve of filing, **9:9**  
 Discharge litigation involving nontax debts  
     generally, **9:51 to 9:65**  
     for detailed treatment see index heading DIS-  
         CHARGE LITIGATION INVOLVING NONTAX DEBTS  
 Dollar amount adjustment under 11 U.S.C.A.  
     § 104(b)(1), **App. 9D**  
 Estate property, **9:11 to 9:17**  
 Exemptions  
     generally, **9:18 to 9:32**  
     for detailed treatment see index heading EXEMP-  
         TIONS  
 Federal bankruptcy exemptions, **App. 9A**  
 Health considerations, **9:10**

## **PREBANKRUPTCY PLANNING—Cont'd**

- Lien avoidances, **9:43 to 9:45**
- Non-estate property, **9:17**
- Nonpayment of dischargeable debts, **9:4**
- Overview, **1:6**
- Payment of nondischargeable debts with nonexempt assets, **9:5**
- Payments to secured creditors, **9:7**
- Pension plans
  - generally, **9:33 to 9:43**
  - for detailed treatment see index heading **PENSION AND RETIREMENT PLANS**
- Preference planning
  - generally, **9:46 to 9:50**
  - for detailed treatment see index heading **PREFERENCES**
- Property of the estate, **9:11 to 9:17**
- Revenue generated by estate property, **9:16**
- Reverse fraudulent transfers, **9:3**
- Revocation of discharge, **9:76**
- Securing credit report, **9:2**
- State exemptions, **App. 9B**
- Tenancy by the entirety property, **9:15**
- Timing considerations, **9:1**

## **PREFERENCES**

- Generally, **9:46 to 9:50**
- Attorneys, preferences to, **9:50**
- Checks, transfers by, **9:47**
- Earmarking doctrine, **9:48**
- Ongoing business, bankruptcy for
  - generally, **11:18 to 11:23**
  - for detailed treatment see index heading **ONGOING BUSINESS**
- bankruptcy for
- Prebankruptcy planning, **9:46 to 9:50**
- Triangular preferences, **9:49**
- Trust fund recovery penalty, **11:67**
- Trust fund tax payments, **11:22**

## **PRETRIAL SETTLEMENT CONFERENCES**

- Generally, **7:78**

## **PRIORITIES**

- Automated collection system and ACS priority processing, **3:34**
- Bankruptcy law, **7:48, 7:49**
- Discharge of taxes and penalties, **10:2, 10:4, 10:10, 10:11**
- Liens
  - generally, **4:53 to 4:69**
  - for detailed treatment, see index heading **LIENS**

## **PRIVILEGE**

- Account-client privilege, power of attorney, **1:123**

## **PROFESSIONAL PRACTICE**

- Offers in compromise, **6:62**

## **PROMOTER PENALTIES**

- Discharge of taxes and penalties, **10:75**

## **PROOF OF CLAIM**

- Generally, **12:2 to 12:25**
- Amended claims, **18:34**
- Amendments, **12:14, 12:15**
- Burden of proof, **12:11, 12:12**
- Civil procedure, **12:10**
- Contingent claims, **12:5**
- Dischargeability, **12:25**
- Disputed claims, **12:5**
- Distribution prerequisite, filing as, **12:4**
- Federal tax lien, **12:17**
- Filing, **18:30**
- Foreign Bank and Financial Account Reports (FBAR), **12:22**
- Form and content, **12:3**
- Forms, **18:35, App. 12A**
- Internal Revenue Manual (IRM)
  - generally, **18:24, 18:30 to 18:35**
  - amended claims, **18:34**
  - filing, **18:30**
  - forms, **18:35**
  - notice received with insufficient time to file a timely proof of claim, **18:31**
  - time of filing, **18:32**
  - unassessed claims, **18:33**
- IRS burden of proof, **12:12**
- IRS proof of claim, **12:7**
- Late filing, **12:18 to 12:21**
- Liquidated claims, **12:5**
- Notice received with insufficient time to file a timely proof of claim, **18:31**
- Objections, **12:8, 12:9, 12:13**
- Statute of limitation, **12:23**
- Time for filing, **12:6, 18:32**
- Unassessed claims, **18:33**
- Unenforceable claim, **12:16**

## **PROPERTY TAXES**

- Discharge of, **10:54, 10:86**

## **PUBLICATIONS**

- 1, **App. 3B**
- 594, IRS collection process, **App. 5L**
- 971, innocent spouse relief, **App. 3P**
- 1660, collection appeal rights, **App. 3C**

## **R**

## **RAILROAD BENEFITS**

- Levy and seizure, **4:94**



## **RATE**

Interest, **13:2, 13:34**

## **REAFFIRMATION**

Generally, **7:91**

## **REAL PROPERTY**

### **Abandonment**

generally, **17:19 to 17:23**  
debtor's abandonment, **17:22**  
ordinary loss, **17:20**  
proceeds, **17:23**  
trustee, **17:21**

Basis of real property, **17:29**

Cancellation of debt, **15:49 to 15:51, 15:93, 17:33**

Dispositions in bankruptcy generally, **1:14, 17:1 to 17:34**

### **Foreclosure**

generally, **17:6 to 17:15, 17:24 to 17:34**  
application of IRC 1038, **17:31**  
basis of real property, **17:29**  
cancellation of debt, **17:33**  
gain, **17:27**  
gain potential, **17:12**  
highly leveraged property, **17:13**  
installment sale, **17:28**  
IRC 121 exclusion on sale or foreclosure, **17:11**  
IRC 1038 as mandatory, **17:30**  
mortgagee, **17:34**  
recourse debt, **17:32**  
report of gain on foreclosure, **17:8**  
special rules for vendor, **17:26**  
strict foreclosure, **17:7**  
tax consequences, **17:24**  
tax exceeds proceeds, **17:14, 17:15**  
third-party purchase, **17:25**  
voluntary conveyance, **17:9**

Gain, **17:27**

Gain potential, **17:12**

Highly leveraged property, **17:13**

Installment sale, **17:28**

IRC 121 exclusion on sale or foreclosure, **17:11**

IRC 1038, **17:30, 17:31**

Liens, **4:65**

Mortgage short sale, **17:10**

Mortgagee, **17:34**

Net operating loss use, **17:16 to 17:18**

Offers in compromise, **6:60, 6:61**

Ordinary loss, **17:20**

Qualified personal residence indebtedness. See index heading **RESIDENCES**

Recourse debt, **17:32**

Report of gain on foreclosure, **17:8**

Residences. See index heading **RESIDENCES**

## **REAL PROPERTY—Cont'd**

Revenue Reconciliation Act of 1993, **17:3**

Special rules for vendor, **17:26**

Strict foreclosure, **17:7**

Tax consequences, **17:1, 17:24**

Tax exceeds proceeds, **17:14, 17:15**

Third-party purchase, **17:25**

Trustee's abandonment, **17:21**

Voluntary conveyance, **17:9**

## **REASONABLE CAUSE**

Abatement of penalties and interest, **5:82, 5:84 to 5:86**

Ongoing business, bankruptcy for, **11:31, 11:32**

## **REFUNDS**

Generally, **3:103, 3:112**

Claim for refund and request for abatement (Form 843), **App. 13C**

Erroneous refund claims, **10:14**

Exemptions, **9:19**

Internal Revenue Manual (IRM), **18:43, 18:44**

Levy prohibited during pendency, **4:25**

Ongoing business, bankruptcy for, **11:26, 11:65**

State tax refund levies, **4:12**

Taxation of bankruptcy estates, **14:18**

Taxpayer statement regarding refund (Form 3911), **App. 13B**

## **REGISTERED TAX RETURN PREPARERS**

Qualifications to practice, **1:108**

## **REGULATIONS**

See index heading **RULINGS AND REGULATIONS**

## **REIMBURSEMENT**

Bank charges, **4:88, App. 4S**

Guidelines, **App. 7E**

## **RELEASE**

Federal tax lien, **4:70, App. 6S**

Levy, **4:24, 4:99**

## **REMOVAL OF CASES**

Bankruptcy law, **7:27**

## **REORGANIZATION**

Generally, **7:104 to 7:109**

For detailed treatment see index heading **CHAPTER 11 - REORGANIZATION**

## **RESCISSION**

Defaults, **6:131**

Offers in compromise

generally, **6:128 to 6:132**

for detailed treatment see index heading **OFFERS IN COMPROMISE**

## **RESIDENCES**

Cancellation of indebtedness and bad debts

generally, **15:52 to 15:57**

## **RESIDENCES—Cont'd**

- Cancellation of indebtedness and bad debts  
—Cont'd
  - for detailed treatment, see index heading  
CANCELLATION OF INDEBTEDNESS AND BAD  
DEBTS
- Levy and seizure, **4:80**
- Qualified personal residence indebtedness
  - cancellation of indebtedness and bad debts  
generally, **15:52 to 15:57**
  - for detailed treatment, see index heading  
CANCELLATION OF INDEBTEDNESS AND BAD  
DEBTS
- dispositions in bankruptcy, **17:4, 17:5**

## **RETIRED DEBT**

- Offers in compromise, income determination,  
**6:67**

## **RETIREMENT PLANS**

- See index heading PENSION AND RETIREMENT PLANS

## **REVENUE AGENTS**

- Generally, **1:57**

## **REVENUE OFFICERS**

- Generally, **1:61, 3:45 to 3:50**
- Analysis of collection information statements,  
**5:37**
- Assignments, **3:46**
- History sheets, **3:47**
- Internal Revenue Manual (IRM), **18:4, 18:10**
- Investigation of delinquent account, **3:50**
- Powers, **3:49**
- Production, **3:48**

## **REVENUE PROCEDURE 2003-61**

- Superseded by Revenue Procedure 2013-34, **3:99**

## **REVENUE PROCEDURE 2003-71**

- Offers in compromise, **App. 6U**

## **REVENUE PROCEDURE 2013-34**

- Superseding Revenue Procedure 2003-61, **3:99**

## **REVENUE RECONCILIATION ACT OF 1993**

- Real property dispositions in bankruptcy, **17:3**

## **REVENUE REPRESENTATIVES**

- Generally, **1:62**

## **REVENUE RULING 2013-25**

- Interest, **App. 13A**

## **REVOCATION**

- Discharge, **9:76**

## **RULES**

- 1898 Act, **7:2**
- Bankruptcy, generally, **7:8, 7:57**

## **RULINGS AND REGULATIONS**

- Classes of regulation, **1:86**
- Code of Federal Regulations, **1:82**
- Deference to be given treasury regulations, **1:91**
- Disclosure, **1:96**
- Distinction and effect, **1:80 to 1:95**
- Final regulations, **1:89**
- Installment payments, **App. 5P**
- Interpretative regulations, **1:84**
- Legislative or substantive regulations, **1:83**
- Letter rulings
  - generally, **1:95, 1:97 to 1:100**
  - for detailed treatment see index heading LETTER  
RULINGS
- Net operating losses (NOLS) and credit car-  
ryforwards, **16:83**
- Procedural regulations, **1:85**
- Proposed regulations, **1:88**
- Regulations, in general, **1:81 et seq.**
- Reliance, **1:90**
- Retroactivity, **1:92, 1:100**
- Revenue rulings, **1:94**
- Rulings, generally, **1:93**
- Temporary regulations, **1:87**

## **S**

## **S CORPORATIONS**

- Cancellation of indebtedness and bad debts,  
**15:51, 15:70, 15:71**

## **SALES**

- Assets of bankruptcy estate, **14:50**
- Levy and seizure, **4:105**
- Residence, **14:53**
- To/from estate to debtor, **14:49**

## **SCRIPS**

- Information retrieval from IRS, **2:3**

## **SECTION 6020(B) RETURNS**

- Discharge of taxes and penalties, **10:16, 10:19**

## **SECTION CHIEF**

- Settlement authority, **7:67**

## **SECURED CLAIMS**

- Generally, **7:47**

## **SECURITIES**

- Offers in compromise, **6:54**
- Stock for debt rules
  - generally, **15:75 to 15:86**
  - for detailed treatment, see index heading  
CANCELLATION OF INDEBTEDNESS AND BAD  
DEBTS

## **SEIZURE**

- Generally, **4:101 to 4:111**

**SEIZURE—Cont'd**

For detailed treatment, see index heading **LEVY**  
**AND SEIZURE**

**SENTENCE**

Discharge of taxes and penalties, **10:90**

**SEP PLANS**

Prebankruptcy planning, **9:38**

**SERVICEMEMBERS CIVIL RELIEF ACT**

Generally, **7:131 to 7:135**

Bankruptcy proceedings, generally, **7:135**

Default judgments, protection against, **7:133**

Stay of proceedings and stay of execution of judgment, **7:134**

**SETOFFS**

Internal Revenue Manual (IRM), **18:44**

Ongoing business, bankruptcy for, **11:26**

**SETTING ASIDE**

Internal Revenue Manual (IRM), **1:74**

**SETTLEMENTS**

Generally, **7:65 to 7:79**

Alternative dispute resolution, **7:73 to 7:75**

Assistant Attorney General's settlement authority, **7:71**

Associate Attorney General's settlement authority, **7:72**

Deputy Assistant Attorney General's settlement authority, **7:69**

Factors in government recommending, **7:76**

Office of Review settlement authority, **7:68**

Pretrial settlement conference, **7:78**

Procedure, **7:66**

Section chief settlement authority, **7:67**

Special rules, **7:70**

Vacatur orders, **7:79**

**SFR AND UNFILED RETURNS**

Offers in compromise, **6:45**

**SHORT TAXABLE YEAR**

Taxation of bankruptcy estates, **14:15**

**SHOW CAUSE ORDERS**

Ongoing business, bankruptcy for, **App. 11A**

**SMALL BUSINESS/SELF-EMPLOYED (SB/SE) DIVISION**

Generally, **1:35, App. 1Q**

**SOCIAL SECURITY**

Levy and seizure, **4:83, 4:92**

**SOLICITOR GENERAL**

Generally, **1:51**

**SOVEREIGN IMMUNITY**

Automatic stay, **8:31**

**SPECIAL AGENTS**

Generally, **1:59**

**SPOUSES**

Income of spouse, **7:96**

Innocent spouse relief

generally, **3:78 et seq.**

for detailed treatment, see index heading

**INNOCENT SPOUSE RELIEF**

Taxation of bankruptcy estates, **14:19**

Transfers as alternative to bankruptcy, **5:109**

**STATE TAXES**

Cancellation of indebtedness and bad debts, **15:72 to 15:74**

Collection information statements (CIS), **5:46**

Discharge of taxes and penalties, **10:23, 10:39, 10:40, 10:56**

Liens, **4:69**

Offers in compromise

generally, **6:157**

for detailed treatment

see index heading **OFFERS IN COMPROMISE**

Refund levies, **4:12**

**STATISTICS**

IRS, **1:19**

**STATUTE OF LIMITATIONS**

Generally, **12:30 to 12:38**

Application of stay to "statute of limitations on collection and assessment," **8:13 to 8:18**

Applications, **12:38**

Collection and assessment, statutes on, **12:31**

Problem, **12:36**

Proof of claim, **12:23**

Solution, **12:37**

Statute expiration dates, **12:32, 12:33**

Suspension of, **12:34**

Trust fund recovery penalty assessment, **11:73**

**STIPULATIONS**

Interest, **13:47**

Ongoing business, bankruptcy for, **App. 11A**

**SUBMISSION PROCESSING CENTER**

Generally, **2:8 to 2:14, 3:18 to 3:27**

Accelerated issuance for delinquents and larger individual income tax cases, **3:19**

BMF accounts register, **2:10**

Business taxpayers, notice procedure for, **3:20**

CDP notice — 1058 letter, **3:23**

Collection system, generally, **3:18 to 3:27**

IMF accounts register, **2:9**

Information retrieval from, **2:8 to 2:14**

IRS, generally, **1:28**

Jeopardy levies, state tax refund levies and required notices, **3:25**

## **SUBMISSION PROCESSING CENTER**

### **—Cont'd**

- Levy notice, **3:21**
- Levy on Social Security, civil service retirement, etc., **3:26**
- Post notice hearing, **3:24**
- Procedure, **3:18**
- Processing accounts, **3:22**
- State transcripts, **2:14**
- Transcript of accounts, **2:11, 2:12**
- Unfiled tax returns, **3:27**
- Value of account transcript, **2:11**

## **SUBROGATION**

- Ongoing business, bankruptcy for, **11:57**

## **SUBSTITUTE RETURNS**

- Discharge of taxes and penalties, **10:20**

## **SUMMONS**

- Generally, **12:26 to 12:29**
- Case law, **12:27**
- Conclusions, **12:28**
- Internal Revenue Manual provisions, **12:29**
- Taxpayer rights, **5:68**

## **SUPERPRIORITIES**

- Liens, **4:61, 4:62**

## **SUPER-SUPERPRIORITIES**

- Liens, **4:63**

## **SURRENDER OF PROPERTY**

- Levy and seizure, **4:100**

## **SUSPENSION OF COLLECTION**

- Generally, **3:40, 3:111**
- Alternatives to bankruptcy, **5:69**
- Equivalent hearing, **3:76**
- Levy and seizure, **4:20**
- Liens, **4:20**

## **T**

## **TAX AUDITORS**

- IRS organization, **1:58**

## **TAX COURT**

- Interest, **13:22**
- Jurisdiction
  - generally, **8:45, 8:46**
  - interest, **13:22**
  - offers in compromise, **6:85**
  - ongoing business, bankruptcy for, **11:44**
- Offers in compromise, **6:85**
- Ongoing business, bankruptcy for, **11:44**

## **TAX DIVISION**

- See index heading DEPARTMENT OF JUSTICE

## **TAX EXEMPT AND GOVERNMENT ENTITIES (TE & GE) DIVISION**

- Generally, **1:37, App. 1S**

## **TAX LAW**

- Overview, **1:11 to 1:14**
- Researching tax law, **App. 1E**

## **TAX LAW SPECIALISTS**

- Generally, **1:60**

## **TAX RATE SCHEDULE**

- Taxation of bankruptcy estates, **14:33**

## **TAX SHELTERS**

- Discharge of taxes and penalties, **10:35**
- Offers in compromise, **6:151**

## **TAX-EXEMPT ORGANIZATIONS**

- Ongoing business, bankruptcy for, **11:49**

## **TAXPAYER ADVOCATES**

- Collection of taxes, **3:65 to 3:67**
- Taxpayer Advocate Service (TAS) of IRS, generally, **1:42, 1:43**
- Taxpayer assistance orders (TAO), **3:65, 3:68, 3:69**

## **TAXPAYER ASSISTANCE ORDERS (TAO)**

- Application for (Form 911), **App. 3M**
- Collection appeals program, **4:24**
- Taxpayer advocates, **3:65, 3:68, 3:69**
- Taxpayer rights, **5:65**

## **TAXPAYER RIGHTS**

- Generally, **5:58 to 5:68**
- Confidentiality, **5:61**
- Designated payments, **5:66**
- Fair debt collection practices act, **5:67**
- In general, **5:58**
- Interviews, **5:64**
- Privacy Act, **5:60**
- Representation, **5:63**
- Rights under IRM, **5:59**
- Summons, **5:68**
- Taxpayer assistance orders (TAO), **5:65**
- Transfer requests, **5:62**

## **TAXPAYER SERVICE REPRESENTATIVES**

- Generally, **1:56**

## **TDA NOTICE ROUTINE**

- Generally, **App. 3F**

## **TECHNICAL ADVICE**

- Generally, **1:101**
- Field service advice, **1:102**
- FSA and TAM compared, **1:103**

## **TENANCY BY ENTIRETY**

- Liens, **4:40**

**TENANCY BY ENTIRETY—Cont'd**

Prebankruptcy planning, **9:15, 9:29**

**TENANCY IN COMMON**

Liens, **4:42**

**THIRD PARTIES**

Automatic stay, **8:37 to 8:39**

Liens on suits against, **4:49**

Purchase of real property, **17:25**

**THRIFT SAVINGS PLANS**

Levy and seizure, **4:98**

**TIME**

Basis reduction, **15:40, 15:41**

Filing proof of claim, **12:6**

Proof of claim, **18:32**

**TORTS**

Discharge litigation involving nontax debts, **9:56**

Reduction in homestead exemption for certain torts, **9:31**

**TOTTEN TRUSTS**

Levy and seizure, **4:86**

**TRANSCRIPTS**

Accounts, generally, **2:11, 2:12**

Circular 230 practitioner E-services transcript delivery system access, **App. 2Q**

Discharge of taxes and penalties

generally, **10:42, App. 10H**

additional deficiency, assessment of, **App. 10J**

assessment of deficiency, negligence penalty, and miscellaneous penalty, **App. 10G**

filing of tax return, **App. 10I**

installment agreement and penalties, **App. 10K**

notice of federal tax lien, **App. 10F**

Form 1040 and civil penalty (TFRP), account transcripts, **App. 2A**

Form 4506-T, account transcripts, **App. 2P**

Integrated data retrieval system (IDRS), **2:22**

Submission processing centers, **2:11, 2:12**

**TRANSFER OF ASSETS**

Alternatives to bankruptcy

generally, **5:108 to 5:113**

for detailed treatment see index heading

ALTERNATIVES TO BANKRUPTCY

Offers in compromise, **6:65**

Preferences

generally, **9:46 to 9:50**

for detailed treatment, see index heading PREFERENCES

**TRANSFER OF CASE**

Taxpayer rights, **5:62**

**TRANSPORTATION EXPENSES**

Collection information statements, **App. 5I**

**TRANSPORTATION EXPENSES—Cont'd**

Offers in compromise, non-business transportation expenses, **6:73**

**TRIANGULAR PREFERENCES**

Generally, **9:49**

**TRIANGULAR REORGANIZATIONS**

Net operating losses (NOLS) and credit carryforwards, **16:96, 16:97**

**TRUST FUND RECOVERY PENALTY**

Automatic stay, **8:40, 8:41**

Chapter 11, designation of payments under, **11:62**

Control power, **11:48**

Discharge of taxes and penalties, **10:64, 10:65**

Internal Revenue Manual (IRM), **18:21**

Offers in compromise, **6:156**

Ongoing business, bankruptcy for

generally, **11:38 to 11:79**

for detailed treatment see index heading ONGOING BUSINESS, BANKRUPTCY FOR

**TRUST FUND TAXES**

Discharge of

generally, **10:59 to 10:65**

alter ego, **10:61**

excise tax, **10:62**

IRC 3509 taxes, **10:63**

nondischarge of tax, **10:59**

priority tax, **10:60**

trust fund recovery penalty, **10:64, 10:65, 11:56**

Ongoing business, bankruptcy for, **11:22**

Recovery penalty. See index heading TRUST FUND RECOVERY PENALTY

**TRUSTEE LIABILITY**

Taxation of bankruptcy estates, **14:12**

**TRUSTS**

Liens, **4:44**

**U**

**UNDERPAYMENTS**

Interest underpayments offset by overpayments, **13:16**

**UNDERSECURED CREDITORS**

Interest, **13:48**

**UNFILED RETURNS**

Alternatives to bankruptcy, **5:73**

Discharge of taxes and penalties, **10:15, 10:24, 10:66**

Internal Revenue Manual (IRM), **18:28**

Offers in compromise, **6:45**

**UNITED STATES TRUSTEE**

Generally, **7:12**



## INDEX

### **UNITED STATES v WHITING POOLS, INC.**

Ongoing business, bankruptcy for, **11:16**

### **UNSECURED CREDITORS**

Generally, **7:46**

Collection information statements, **5:45**

IRS claims against pension plans, **9:42**

### **U.S. ATTORNEY GENERAL**

See index heading **DEPARTMENT OF JUSTICE**

### **U.S. ATTORNEYS**

See index heading **DEPARTMENT OF JUSTICE**

### **UTILITY EXPENSES**

Collection information statements, **App. 5K**

## **V**

### **VACATUR ORDERS**

Generally, **7:79**

### **VALUE OR VALUATION**

Interest, **13:46**

Prebankruptcy planning, **9:20**

Submission processing center, value of account transcript, **2:11**

### **VENUE**

Bankruptcy law, **7:25 to 7:27**

## **W**

### **WAGE AND INVESTMENTS (W & I) DIVISION**

Generally, **1:34, App. 1P, App. 1AA**

### **WAGE EARNER BANKRUPTCY**

Generally, **7:112 to 7:127**

For detailed treatment see index heading **BANK-  
RUPTCY LAW**

### **WAGES**

Levy and seizure, **4:79, 4:81**

### **WAIVER**

Interest, **13:9**

### **WILLFULNESS**

Discharge of taxes and penalties, **10:29, 10:31**

Trust fund recovery penalty, **11:50**

### **WITHDRAWAL**

Offers in compromise

generally, **6:106 to 6:122**

for detailed treatment see index heading **OFFERS  
IN COMPROMISE**

### **WITNESSES**

Appearance as a witness not “practice before  
IRS,” **1:110**